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**KEY STAKEHOLDER PERCEPTIONS ON THE FUTURE HUMAN  
RESOURCE MANAGEMENT ROLES AND COMPETENCIES**

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## **ABBREVIATIONS**

HR: Human Resources

HRM: Human Resource Management

IHRM: International Human Resource Management

SHRM: Strategic Human Resource Management

SIHRM: Strategic International Human Resource Management

MNC: Multinational Corporation

MNE: Multinational Enterprise

CAQDAS: Computer Assisted Qualitative Data Analysis Software

CEO: Chief Executive Officer

CIPD: The UK Chartered Institute of Personnel and Development

EBHR: Evidence-Based HR

E-HRM: Electronic Human Resource Management

IT: Information Technology

HQ: Headquarters



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**ABSTRACT**

The HR roles and competencies are changing due to the increasingly volatile global business environment and the shift to a knowledge economy. Hence, clarity is needed regarding the HR roles and competencies in order to enable the HR organisation to respond to the future challenges faced by human resource management.

The purpose of this study was to investigate the key stakeholder perceptions on the future HR roles and competencies in Finland. The focus was on the HR departmental roles and the competencies that HR professionals need for performing these roles. Comparisons between different individual, organisational and contextual level factors were also made to provide a pluralistic approach to the topic. These factors included different respondent roles, organisational types and levels of internationalisation.

This research project was conducted through a survey strategy based on the material from a nationwide HR Barometer. The sample was analysed based on an existing HR role and competency typology and current HRM trends with a content analysis method.

The main theoretical contribution of this study is a modified future HR role and competency model created based on the findings. This new typology includes three expanded HR department roles with an added competency category each. Credible activist needs to now also protect the long-term perspective, HR innovator and integrator provides smooth HR service delivery, and capability builder focuses on more traditional competencies in supportive and operational HRM.

HR managers can utilise these research findings by focussing on the development of the highest rated HR roles and competencies first and by studying the circumstantial factors relevant to their organisation in order to be able to make more informed decisions.

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**KEYWORDS:** HRM, HR department roles, HR professional competencies, future HRM, HR typologies



## 1. INTRODUCTION

This chapter will introduce the topic of this study through a background investigation into the area of research. Subsequently, the research gaps to be filled will be discussed including the novelty and challenge of this project. Subsequently, the research problem will be defined into the more specific research question and objectives along with methods through which to execute them. The scope of the study will also be determined in order to delimit the study. Finally, the structure of the study will be provided at the end of this chapter.

### 1.1. Background of the Study

This section elaborates on the current pressures, on organisations and their HR departments and professionals, including the shift into a knowledge economy, war for talent, increasingly competitive global business environment, and the current human resource management trends in order to highlight the background for the importance of researching the future HR department roles and the competencies of HR professionals.

The current incremental shift into the knowledge economy has a significant impact on the way businesses operate, because company performance becomes heavily reliant on the human capital of their employees (Evans, Pucik & Björkman 2011: 260). Swart and Kinnie (2003: 60) agree with this and emphasise that unique human capital provides competitive advantage to prosperous knowledge-intensive firms. Consequently, human resource management is highlighted in organisations, because HR function has a key role in managing human capital and the unique knowledge assets they provide. Subsequently, HR needs to master knowledge management, which refers to “the structures, processes, and systems that actively develop, leverage, and transfer knowledge” (Peng 2009: 305). However, engaging in KM is not necessarily so simple. Khatri, Baveja, Agrawal and Brown (2010: 2905) argue that current HR practices can block knowledge management, which creates the need for ‘new HR’ in order to solve the problem. Accordingly, HRM processes need to be developed so that they can

leverage human capital and consequently support the development of knowledge resources for the continuous survival of the organisation.

Due to the move into the knowledge economy, also the main employee type providing valuable human capital in organisations is changing from a factory worker to a knowledge-intensive service worker (Khatri et al. 2010: 2904). Managing these changing human resources is critical for organisational success and human resource management needs to be adapted to them as already discussed. According to Alvesson (2004: 139), the crucial issue in terms of human capital revolves around recruiting and retaining the best possible personnel regarding the existing and future tasks. Alvesson (2004: 139) further highlights the importance of the human process advantage, which refers to creating preconditions for synergy effects. Accordingly, HR needs to become competent in both of these areas in order to be able to have the best workers and to consequently capitalise on them effectively.

Because unique human capital has become the key to company performance in the knowledge economy (Evans et al. 2011: 260), the competition for the best workers has accelerated. This is because organisations across the world have realised that the knowledge, skills and abilities, that the talented employees have to offer, are a major source of competitive advantage to a company (Hartman, Feisel & Schober 2009: 169). Yet, despite the growing realisation of the importance of talent management, MNCs are faced with a rising shortage of talented people (Burke & Ng 2006: 86). As a consequence, there is a 'war for talent' among organisations (Collings & Mellahi 2009: 304), which puts pressures on HR departments to develop their talent management practices and to have something unique to offer in order to entice future employees. Organisations need to become a top choice employer and to retain and develop their top performers (Burke & Cooper 2006: 83), which is not easily achieved.

The influence of the knowledge economy creates pressures also for the HR professionals to become more knowledgeable in their own field. This is not just to utilise the human capital of the rest of the organisation, but to provide HRM knowledge-based competitive advantage through leveraging human capital of the HR professionals

themselves. Hansen (2002: 513-514) supports this view that HR is under pressure to develop new competencies that go substantially beyond the traditional HR duties. More importantly, Long and Ismail (2011: 1054) emphasise that HR professionals are well positioned to contribute to the company's competitive advantage due to their existing knowledge of human performance. They just need to apply the same principles to themselves, which they typically apply to other members of the organisation. Yet, this is easier said than done. Creating knowledge equipped to generate competitive advantage is difficult. This is because the, in this case, HR resources that underpin competitive advantage need to be unique in order to make it difficult for competitors to imitate and obtain them (Johnson, Scholes & Whittington 2008: 97). Otherwise the competitive advantage is not sustainable and quickly lost.

The problem in gaining appropriate level resources in HRM to be able to provide long-term sustainable competitive advantage is twofold. Firstly, forecasting the HR competencies and roles required in the future is difficult for obvious reasons. Nobody knows what the future brings, but we can still plan for it based on the past and present, which makes us more prepared (Johnson et al. 2008: 34). Same applies to the HR function. They can prepare themselves and their organisation for the future. Secondly, the difficulty in acquiring HR professionals with the required level of competence is their scarcity according to one of the top US HR professionals Libby Sartain (Frauenheim 2008A: 21). This demonstrates that talent shortages affect also the HR profession. Moreover, both of these factors are accentuated further due to the conflicting short-term business pressures and the long time it takes to develop HRM competencies suitable for providing competitive advantage. Hence, it is important to study them.

Moreover, it is not only the gradual shift to the knowledge economy that forces organisations and their HR department to search for innovative sources of competitive advantage. As early as 1994, Sparrow, Schuler and Jackson declared that the world was becoming increasingly competitive and volatile, pushing firms to utilise every available source of competitive advantage at any given time (Sparrow et al. 1994: 267). This shows that also the increasingly competitive global business environment is pressuring firms and HR departments to leverage their core competencies.



More recently, competition in the global environment has only accelerated. Evans et al. (2011: xv) agree that “globalisation has reshaped our world, and it will continue to do so”. Briscoe, Schuler and Tarique (2012: 412) acknowledge that in order to succeed with these evermore complex global operations, organisations need to direct top-level focus also on the human aspect of their international activities as well as on the usual development of international operations, research and development, sales force and accounting systems. This business scrutiny brings HR function performance and cost pressures. Consequently, as a result of increased global competition, HR departments have endeavoured to prove their value rather than being seen as a cost haven (Raja, Green & Leiringer 2010: 258). Accordingly, the role of HR departments is changing.

In line with the new found emphasis on providing value, Swart and Kinnie (2013: 160) highlight the critical role that HR practices can have in delivering organisational performance according to the research. In addition, there are also business pressures urging HR professionals to develop competencies as ‘HR business partners’, which derives from the aspiration to integrate business strategy with people management (Caldwell 2008: 275). However, in order to thrive under these new pressures, HR function and professionals need to develop themselves, their roles and competencies. Indeed, Ulrich, Younger and Brockbank (2008: 829) emphasise that instead of a dispersed and disorganised set of HR practices, HR departments need to start functioning more based on entrepreneurial principles. Like businesses, HR departments need to have a clear vision of their goals, and organise themselves in a manner to reach them (Ulrich et al. 2008: 829) rather than being content with the status quo. Consequently, having a HRM vision results in future looking behaviour, and requires HR departments to forecast the roles and competencies needed to succeed in the future.

Human resource management has evolved over decades of research and practice. Formal and professional HR departments were created already in the late 19<sup>th</sup> century (Kaufman 2008: 4). Yet, the HRM field is still constantly developing due to the aforementioned continual changes in the business environment and the role of the HR department. For example, international human resource management has been of

interest since after the Second World War and the increasingly popular strategic emphasis on HRM originates from the 1980s (Evans et al. 2011: 12).

However, there are also more current trends, especially in the HR service delivery towards self-help, service centres, outsourcing and devolution to the line managers (Evans et al. 2011: 577). These developments are created by the cost cutting and time saving business pressures regarding transactional part of HRM in order to provide more time to focus on the more value-added activities of business support or HR content (Evans et al. 2011: 577). Thus, the trend to improve the effectiveness of the transactional part of HRM is in fact partly created by the strategic HRM trend (Susomrith & Brown 2013: 704).

Some other current areas of interest in the realm of human resource management are the HR generalist versus specialist discussion as well as the technological developments and e-HRM more specifically. E-HRM is typically introduced to support the previously mentioned SHRM transformation and service delivery enhancements, as well as to improve HRM efficiency, standardisation and organisational image, and to empower managers according to Parry and Tyson (2011: 335). Instead, HR generalist versus specialist debate mulls over whether one type of HR expertise is more important than another (Caldwell 2008: 288). Both trends influence the HR roles and competencies.

Moreover, many models have been created and further developed and updated over the years to investigate the HR roles and competencies (Legge 1978; Tyson & Fell 1986; Storey 1992; Ulrich 1997). Yet, even the most influential of them still face disputes and criticism (Caldwell 2008: 277; Francis & Keegan 2006: 235). This shows that this area requires further attention. Moreover, the changing business environment and with it the new HRM trends also keep shaping the roles that HR function needs to adopt and the competencies that HR professionals need to acquire in order to be able to respond to the future challenges of the business world. Hence, the HR roles and competencies are forever changing. The following section will identify the research gaps available through existing literature for the topic at hand.

## 1.2. Research Gaps

This section will illustrate the opportunities for studying the chosen topic. Accordingly, appropriate research gaps will be identified and discussed in the context of existing literature.

Even though HR department as the topic of interest is the second most popular among the professional HR journals over 20 years from 1986 till 2005, among the academic HR journals it is the second least researched topic instead (Deadrick & Gibson 2007: 133). The popularity of the topic on the practitioner side demonstrates the importance of it and the lack of research into the HR department in the academic journals provides an opportunity for this study. Therefore, this research-practice gap provides ample justification for conducting this academic paper on the HR department.

Furthermore, HR department, including the changing role of HRM, was identified as an emerging HR topic among practitioners and academics alike over a 30 year period in a later review article by Deadrick and Gibson (2009: 150). The reason behind this upwards interest derives from the prevailing human capital trend (Deadrick & Gibson 2009: 150). Hence, the changing role of HRM is a ‘hot’ topic to study.

In addition to the need for research into the HR department, Roehling, Boswell, Caligiuri, Feldman, Graham, Guthrie, Morishima and Tansky (2005: 207) list, in their review article, more specifically the role of HR professionals and the value of HR competencies as two of the main areas of future research in HRM. Moreover, there is also an opportunity to contribute towards the contextual factors influencing HR competencies. This was identified as a more specific section of future research into the HR competencies by Roehling et al. (2005: 212). Furthermore, there is also a gap in the research into the effects of globalisation on HRM (Roehling et al. 2005: 213).

Typologies for the role and competencies of HR are developed mainly in the UK or the US (Farndale, Paauwe, Morris, Stahl, Stiles, Trevor & Wright 2010: 46). Thus, there is a gap for research regarding other countries. This lack of variation in geographic

contexts in the HR role and competency model research was identified also by Ulrich et al. (2008: 848). In the following section, the research problem is discussed in more detail and linked to the research gaps identified in this section.

### 1.3. Research Questions and Objectives

This section will define the research problem and aim into a research question and more detailed three research objectives for the study.

Because of to the influence of the external pressures and the current HRM trends identified in the background of the study, the role of the HR department is changing and therefore lacks clarity. Consequently, this obscurity makes it challenging for HR professionals to acquire the correct competencies for the future. Because of this research problem, the aim of this research project is to investigate the future HR roles and competencies in Finland. The focus will be on the future roles of the HR department in order to narrow the previously identified practitioner-academic gap regarding the research into the HR department. Moreover, the future competencies of the HR professionals are examined in pursuit of covering the recognised opportunity to examine HR competencies. Furthermore, this study also contributes towards the lack of different geographic contexts in the HR typology research through conducting the research in Finland. This study takes into account also other contextual and background factors, including the respondent role, organisational type and the level of internationalisation, in order to provide varying stakeholder perspectives on the issue at hand.

The overall aim of the study leads to the subsequent **research question** (RQ).

*RQ: What are the key stakeholder perceptions on the future roles of the HR department and competencies of the HR professionals in Finland?*

In order to answer this overall research question, the formulation of the following **three research objectives** (RO) provides triangulation and multiple perspectives from

individual, organisational and contextual levels on the topic in order to achieve this main goal.

*RO1: To identify the differences in the respondent role perspectives on the future HR department roles and the HR professional competencies.*

*RO2: To establish the influence of the different organisational types on the future HR department roles and HR professional competencies.*

*RO3: To determine the impact of the organisation's level of internationalisation on the future HR department roles and the HR professional competencies.*

This study is conducted through a survey strategy, and the main theoretical model utilised in analysing the above research question and objectives is the latest HR role and competency model by Ulrich, Younger, Brockbank and Ulrich (2013: 467). In addition, current trends in HRM, such as SHRM, e-HRM, generalist versus specialist HR and service delivery development towards self-help, service centres, outsourcing HR and devolution to the line managers (Evans et al. 2011: 577), are employed in the process. The study material is collected nationwide including a range of respondents and organisations. Discussion of the scope of the study follows next.

#### 1.4. Scope of the Study

This section will examine the delimiting factors for the study, which concern the aspects that are included and are not included in this research.

This study focusses on the future roles of the HR department rather than other departments or external organisations performing HRM. However, there will be references to the devolution of HRM responsibilities to the line managers and to external organisations due to outsourcing. However, these actors and their roles are discussed and analysed solely from the HR department's perspective.

Furthermore, this study concentrates on identifying and examining the future competencies of the HR professionals. Research into developing these competencies is not included in the parameters of this project, despite HR competence development being identified as one of the future research areas in HRM (Roehling et al. 2005: 213).

This project investigates perceived future HR rather than current actual HR. However, current actual HR activities may influence the stakeholders' perceptions of the future HR. Furthermore, the survey respondents are delimited to HR professionals, general and top manager, and employee representatives. Other stakeholders such as customers are not included in this study.

The study is conducted nationwide in Finland including varying types of organisations from different stages of internationalisation. Units located outside of Finland fall outside the scope of this study. The structure of the study is outlined in the following.

### 1.5. Outline of the Research Structure

This section will elaborate on the five chapters that the structure of this study is comprised of in order to illustrate the logic of this research project.

Firstly, this research project started with this introductory chapter into the topic. The chapter began by providing background and insight into the topic area at hand. This included a discussion on the influence of the current external factors such as the knowledge economy and the global competition, current trends in HRM, the HR role and competency models and so on. Consequently, the topic was justified in the research gaps section. Furthermore, the research problem was defined as the key stakeholder perspectives on the future HR roles and competencies in Finland. The research objectives were set to provide different perspectives on the topic through the varying respondent roles, organisational types and the level of internationalisation. The study was delimited to identification rather than development of HR roles and competencies in the scope of the study, and the five chapter structure of the project is provided here.

Secondly, the literature review chapter is constructed by a critical discussion of the past, current and future aspects of HRM. This is followed by discussions on HR roles and competencies and their typologies. Critical attention is provided for the chosen theoretical model. Finally, contextual matters are also discussed. Overall, the chapter begins with broader perspectives and narrows down towards the aspects more closely related to the topic. The literature chapter also provides the heuristic framework to be utilised in later data analysis stage of the study.

Thirdly, the methodology chapter stipulates on the research strategy, data collection and analysis and other methodological factors. Accordingly, some of the key areas to discuss are the abductive approach, survey strategy, sample details, contents analysis technique and the ethical aspects of the research. Concluding methodological framework is presented at the end of the chapter.

Fourthly, the results and discussion chapter firstly presents the results of the study in appropriate tables and figures based on the main theoretical model applied to the data. This is followed by the discussion, which combines the HRM literature evaluated in the second chapter with the results of the study in order to provide new insights into the topic. An incrementally developed theoretical model will be presented as an outcome of this synthesis of literature and research results along with other research findings.

Finally, the fifth chapter provides overall conclusions of the research process and the key findings. This final chapter will also elaborate on the academic and practical implications of the findings. Lastly, the limitations and future areas of research, such as developing HR competencies, are identified. The relevant literature regarding this research project is discussed and evaluated in the following chapter.

## 2. LITERATURE REVIEW

This chapter will present and evaluate the relevant theoretical perspectives for the study. The discussion will evolve from the broader aspects of human resource management to more specific and current trends in the field. The chapter will continue to examine empirical research relevant to the topic. HR role and competence typologies and the main theoretical model used in this study are also critically evaluated. Moreover, the influence of contextual factors on HR roles and competences is illustrated. At the end of the chapter a heuristic framework will be generated based on the reviewed literature for the purpose of data analysis and to summarise the review.

### 2.1. Past Developments of HRM

This section will illustrate the development of the human resource management field to date. In addition, relevant terminology will be defined.

The field of human resource management has a long history from a practitioner and academic point of view. Certain aspects of HRM reach very far back in history. In its broadest sense, as ‘labour management’, human resource management can be seen as one person controlling and coordinating the labour of another person to produce goods or services (Kaufman 2008: 3). In this sense HRM has existed since the beginning of human civilisation (Kaufman 2008: 3). However, according to Kaufman (2008: 4) HRM underwent a significant transformation in the half a century from the 1870s till the 1930s. This was due to the creation of formal and professional HR departments (Kaufman 2008: 4), which are the focus of this study.

The term HR refers to the employees of an organisation, which are known as human resources. However, HR can also be defined as “the division of a company that is focused on activities relating to employees. These activities normally include recruiting and hiring of new employees, orientation and training of current employees, employee benefits, and retention” (BusinessDictionary 2013A). Therefore, HR can be also used in



connection with the department or its people performing HRM. This study uses the term HR also in this way.

Human resource management definitions have evolved over decades of research. However, the term HRM is difficult to define (Torrington, Hall & Taylor 2008: 6). Torrington et al. (2008: 6) distinguish between HRM as the updated label for traditional personnel management, and HRM as a distinctive philosophy towards effective people-oriented organisational activities in modern businesses. The future orientation of this study merits the adaptation of the more modern interpretation of the term human resource management. Accordingly, Griffin and Pustay (2013: 573) define human resource management (HRM) as a “set of activities directed at attracting, developing, and maintaining the effective workforce necessary to achieve a firm’s objectives”. This definition is a good description of current HRM and the one utilised in this study. Furthermore, the set of activities referred to in the definition includes many competencies that today’s HR professionals are required to master. The exact nature of these competencies and the HR department roles under which they belong are investigated in this study.

International human resource management is a later addition to the HRM field. After the Second World War, personnel departments became a common feature of all medium and large companies (Evans et al. 2011: 12). At this time, also IHRM was born in the form of international personnel units in charge of expatriation matters (Evans et al. 2011: 12). Some MNEs have indeed conducted international business for over 100 years, yet IHRM is relatively new as a professional and academic practice and interest (Briscoe et al. 2012: 22). Welch and Welch (2012: 598) agree that the field of IHRM is still growing. According to De Cieri and Dowling (2012: 13), there are three broad approaches that characterise the field of IHRM. These are the early focus on cross-cultural management issues, comparative HRM research and HRM in MNEs. This study will compare results from a Finnish context to international findings.

Evans et al. (2011: 34) emphasise that the boundaries between international human resource management and other domains have blurred since IHRM issues have

increased in centrality. IHRM has become a key perspective for studying multinational enterprises, the dominating organisational form in the world economy (Evans et al. 2011: 34). However, to distinguish IHRM from HRM Björkman and Stahl (2006: 1) define international human resource management broadly as “all issues related to the management of people in an international context” rather than having a domestic focus.

Strategic human resource management is even younger strand to the field, which is gaining importance due to globalisation. Strategic significance was attached to HRM in the 1980s (Evans et al. 2011: 17). Consequently, over 30 years of SHRM research has followed (Lengnick-Hall, Lengnick-Hall, Andrade & Drake 2009: 64). Torrington et al. (2008: 35) identified three theoretical approaches to SHRM. The first one adopts a universalist approach of finding a ‘best practice’, which will lead to high organisational performance in all contexts (Torrington et al. 2008: 36). Secondly, the fit or contingency approach contrarily focusses on the external fit between HR strategy and the demands of business strategy and internal fit between different HR policies and practices to form a coherent whole (Torrington et al. 2008: 37). This approach takes into consideration different contextual factors, which are ignored in the first approach. Alternatively, the third approach is based on the resource-based view of the firm, which rather than just aligning human resources to current strategic goals, promotes sustainable competitive advantage by developing human capital (Torrington et al. 2008: 42). This study utilises the human capital perspective as well as investigates the effects of contextual factors impacting the HR roles and competencies.

Wright and McMahan (1992: 298) define strategic human resource management as “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals”. In addition, due to the combined importance of strategic and previously discussed international issues in HRM these two areas have been united under strategic international human resource management. SIHRM can be defined as: “human resource management issues, functions, and policies and practices that result from the strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises” (Schuler, Dowling & De Cieri 1993: 422). This definition ties together the currently topical human capital, globalisation and strategic

aspects of the world economy. The following section delves deeper into the current trends in the field of human resource management.

## 2.2. Current HRM Trends

This section illustrates the current developments in HRM. The focus is especially on those trends that concern HR roles and competencies investigated in this study. The areas to be discussed include SHRM, business partnering, HRM performance link, human capital, talent management, knowledge management, HR protecting the long-term view of the company, e-HRM, integration, service delivery, change management, duality in HRM, and generalist versus specialist HR debate.

### 2.2.1. Strategic HRM

Even though SHRM has been in the picture since the 1980s as mentioned earlier, the strategic agenda is still very much on the table regarding HRM practice and research. For example, Paauwe (2007: 76) identified linking HRM policies and practices to corporate strategies and changes as one of the key HRM trends in his research. Similarly, Lengnick-Hall et al. (2009: 65) identified shifting from a focus on managing people to creating strategic contributions as one of the seven key directions and trends in the SHRM literature over the past thirty years. Therefore, SHRM is discussed here as one of the HRM trends influencing HR roles and competencies.

Because of the strategic trend, HR units are striving more than ever to move from a localised administrative actor to a strategically significant global player by “systematizing and controlling the cost of transactional work” (Kates 2006: 22). HR does not want to be seen as, or even less to be, the necessary evil anymore, but a seriously taken board member of the organisation instead. The fact that “strategies are implemented through people” (Evans et al. 2011: 582), provides strong justification for HR function to get involved in strategic decision making. Indeed, HR needs to communicate to the top management the strategic opportunities as well as limitations of the organisation’s current human resources (Evans et al. 2011: 582). Without HR’s

strategic influence, strategically important human resources may not be utilised to their full potential or, even worse, at all. Alternatively, necessary human resources may be missing, and therefore hinder strategy implementation and organisational success.

Yet, whether HR functions are actually becoming strategic rather than routine is not straight forward. Truss (2008: 1071) agrees that evidence remains both partial and inconclusive regarding the supposed shift to SHRM. One of the problems is the discrepancy between ideal and actual HRM practices (De Guzman, Neelankavil & Sengupta 2011: 2665). For example, De Guzman et al. (2011: 2665) found that HR managers in Asia reported considerable differences between ideal and current state of their HR functions. They also found that strategic HRM practices varied among countries depending on the organisational type and size and whether the HR manager works in the HR department or some other functional department. In addition, difficult industry conditions can also hinder HR function's rise to a strategic role. Raja, Green, Leiringer, Dainty and Johnstone (2013: 313) found this to be the case in the complex construction sector because of the demands of managing multiple forms of employment arrangements. Even where HR has a board room presence, it does not always do favours to itself (Thompson 2011: 363). Indeed, there is evidence of HR shying away from its strategic responsibilities when it comes down to it (Francis & Keegan 2006: 244). In addition, Truss (2008: 1071) revealed in her research into the UK public sector that more strategic roles have not replaced traditional HR roles, but rather have been added on. However, the implicit undercurrent in the HRM literature indicating that the role of HR is becoming more strategic rather than routine, is evident (Singh, Darwish & Anderson 2012: 3027). Therefore, it is an important aspect to investigate.

### 2.2.2. Business Partnering

Human resource business partnership model is another development in HRM that has received a lot of attention over the last decade (Caldwell 2008: 275). Paauwe (2007: 87) agrees that recent HRM literature often promotes HR managers to become business partners. In the HR business partnering, HR personnel works directly with line and top managers on HRM issues. In business partnering, HR professionals can interpret

societal and organisational level variables from a HRM perspective (Tyson 1999: 42). These activities require a wide range of HR competencies as well as close understanding of the business in concern. Business partner role provides also an opportunity for HR professionals to contribute to discussions about the aforementioned people aspects of strategy as well as organisational capabilities. (Evans et al. 2011: 582.) McCracken and Heaton (2012: 182) interviewed key stakeholders in an organisation that had recently restructured its HR function towards the business partnership model. The evidence from their research suggests introducing business partnering indeed made the position of the HR function more strategic and integrated.

However, the human resource business partnership model is not unproblematic. If business partnering approach is taken too far, there is a risk of not being able to differentiate between HR managers and regular line managers (Paauwe 2007: 87). In other words, HRM will be diluted by the dominant business management culture. In addition, contextual factors have a profound influence on the uptake of the business partnering model (Caldwell 2008: 276). For instance, business partnering is less prevalent in small organisations than in large ones (Reilly, Tamkin & Broughton 2007). Moreover, Raja et al. (2010: 272) discovered in their case study that implementing business partnering model simultaneously with other change programmes eroded the HR business partnering role, because business strategy was constantly being transformed. This shows that the HR business partnering concept is still in its infancy and influenced by contextual factor in varying ways. Yet, HR functions still strive to become business partners in their quest for high performance (Francis & Keegan 2006: 231). Subsequently, this HR performance link is discussed next.

### 2.2.3. Performance

Linking HRM to performance is topical from two perspectives. Firstly, there is a clear trend in measuring outcomes and therefore the performance of the HR department (Lengnick-Hall 2009: 65). This is due to intensive global competition forcing firms to scrutinise every part of their organisation including the HR department. Secondly, the effects of HRM practices on the organisational performance have also become under

focus (Hailey, Farndale & Truss 2005: 49), because HR is attempting to verify their significance in the organisational setting. Accordingly, different aspects of HRM related performance are discussed in this section.

Paauwe and Boselie (2005: 71) identified HR-related outcomes as one of the key areas of HRM performance. This includes for example attitudinal and behavioural impacts among employees such as satisfaction, commitment and intention to quit. There are currently pressures on HR departments to create ways of measuring these factors and to provide timely results for themselves and the top management to utilise in strategic decisions. However, measuring HRM practices is tricky (Lengnick-Hall et al. 2009: 76). One of the challenges is the time-lag effect (Hailey et al. 2005: 49). HR practices have a slow influence compared to the rapid business environment. Rousseau and Barends (2011: 221) offer evidence-based HR decision making as a solution to choosing HR practices that actually work and provide the desired outcomes rather than relying on blind faith. In EBHR, the focus is on scientific evidence and critical thinking rather than imitation and reliance on copycat practices (Rousseau & Barends 2011: 221-222). However, for this approach to be practical and feasible for HR professionals to utilise, the research-practice gap in HRM needs to be narrowed, so that practitioners have the required scientific evidence easily available to them.

As well as HR-related outcomes, Paauwe and Boselie (2005: 71) identified also financial and organisational outcomes as two of the key areas of HRM performance. These outcomes link HRM practices into the wider organisational performance. Indeed, there is increasing evidence suggesting a link between HRM practices and organisational performance (Becker & Huselid 1998; Huselid & Becker 2009). Some of these performance enhancing HRM practices include for example rigorous selections procedures, internal labour markets, emphasising training and development and team structures (Townsend & Wilkinson 2010: 333).

However, challenges remain in understanding the construct of human resource management systems and their connection to the organisational performance (Jiang, Lepak, Han, Hong, Kim & Winkler 2012: 73). Truss, Shantz, Soane, Alfes and

Delbridge (2013: 2657) agree that one of the main challenges remains the identification of the mechanisms, so called ‘black box’, through which HRM improves the organisational or individual performance. Bundles of HR practices are argued to be a better unit of analysis than individual practices when investigating the impact of HR systems on performance (Jiang et al. 2012: 73). Way and Johnson (2005: 11) propose a framework, which offers an even more comprehensive approach to examining the impacts of HRM on the organisational performance. They recognise that organisational outcomes are a product of different functional resources in combination, not only human resources in isolation. Besides, all organisational resources are influenced by external stakeholders, which in turn may enhance or limit organisational performance. However, this framework may be too complex for HR professionals to use in their daily work to measure the effects HRM has on the organisational performance. In addition, Kaye (1999: 577) raises concerns that the overly focus on the bottom line of companies regarding the HRM performance may hurt employees. Lengnick-Hall et al. (2009: 77) reiterate this in their findings, which demonstrate that most of the SHRM research takes the organisational perspective regarding HRM performance and only a minority questions the impact of SHRM on individuals.

#### 2.2.4. Human Capital

Human capital is discussed here, because it has emerged as a major theoretical concept of HRM during the last 10 years (Evans et al. 2011: 9). Indeed, the first outcome of HRM is the human capital of employees (Evans et al. 2011: 62). Becker (1964) defines human capital as “the knowledge, information, ideas, skills, and health of individuals” (Becker 2002: 1). The uniqueness of human capital derives from the fact that the knowledge, skills, health or values cannot be separated from the person possessing them in the manner that financial and physical assets can (Becker 2008). The popularity of human capital theory may have put human back into SHRM, however Wright and McMahan (2011: 102) emphasise that there is still a risk of researchers treating human capital as a form of capital owned and controlled by the firm.

Human resources have become increasingly important to organisational success due to the business environment growing more competitive (Wright & McMahan 2011: 93). Human capital can be leveraged to achieve maximum productivity (Wang, Jaw & Tsai 2012: 1129). Moreover, human capital can contribute to core competence of the organisation in correspondence with the dynamic environment (Wang et al. 2012: 1129). This is because human capital can be utilised in a flexible manner to provide improved organisational performance discussed in the previous section. However, human capital approach should not only focus on today's performance. Instead, correct development of human capital should also provide future competitive advantage (Wang et al. 2012: 1154). Human capital theory can also be applied to HR professionals themselves in order to maximise productivity of the HR department and to contribute to company core competence now and in the future. Furthermore, Elias and Scarbrough (2004: 35) recognise the need to focus more on the practical aspects of human capital. This will be done in the following section in form of a talent management discussion.

#### 2.2.5. Talent Management

Talent management has been especially topical since the late 1990s, when the McKinsey consultants announced the 'War for Talent' (Wright & McMahan 2011: 93). Despite this growing realisation of the importance of talent management, MNCs are faced with a rising shortage of talented people (Burke & Ng 2006: 86). Evans et al. (2011: 260) state that in most of the developed countries, it is the demographic changes that cause the scarcity of the talent available. Moreover, different countries have and require different types of talent, which do not always match. Hence, there is not a shortage of talented people in the world, but the problem entails having the right people in the right place (Evans 2011: 257). For instance, China is forecasted to need over 75,000 qualified managers in the next decade and a half, compared to the mere 5,000 currently available in the labour market (Hartman et al. 2009: 169).

Talent management can be defined as a HR functional activity (Garavan 2012: 2428), which focuses on employees with high strategic value, those individuals or groups that are the most important for the firm's success (Evans et al. 2011: 258). Accordingly,



organisations across the world have realised that the knowledge, skills and abilities, i.e. human capital, that the talented employees have to offer, are a major source of competitive advantage to a company (Hartman et al. 2009: 169). Not surprisingly, many managers might say that everyone in the organisation is talent. However, in reality most organisations have a more restricted definition of talent when it comes to actual talent management (Evans et al. 2011: 258). These definitions vary significantly from company to company (Iles, Chuai & Preece 2010: 179).

Talent management centres typically around the current high-performers resourced for A positions. A positions, are roles that have the most strategic importance to the firm (Evans et al. 2011: 258). As well as, current high performers, talent management also has a future aspect and therefore focuses also on the future high-potentials (“hi-pos”). These employees are seen as the next generation of organisational leaders that will move into the key strategic roles determining the success of the firm (McDonnell, Lamare, Gunnigle & Lavelle 2010: 151). However, even though the main focus of talent management centres on the high-performer, other positions in the organisation should not be forgotten either. The remaining positions are called B and C positions. B positions are supporting positions that may have an indirect strategic impact. C positions instead are surplus positions that may be required for the firm to function, but have little strategic importance. (Evans et al. 2011: 259.)

As already mentioned, talent management is important for organisations in order to manage their valuable human capital. Talent management includes human capital deployment in which the focus is on allocating human capital associated with organisational efficiency, and human capital inimitability emphasising the development of human capital in order to contribute to core competence (Wang et al. 2012: 1133). Even though talent management is deemed strategically important, most companies still find it difficult to get it right. This starts all the way from defining talent and talent management at the company through recruiting and selecting to assessing and retaining talent. Cappelli (2008: 74) agrees that failures in talent management are an on-going struggle for executives in modern organisations. Cappelli (2008: 75) adds that this is usually due to two types of short fallings in talent management practices. Firstly,

companies commonly do nothing regarding anticipating future needs for talent despite the argued importance of talent management. This practice relies heavily on outside hiring to overcome the detected gap in talent. Secondly, some older large companies have inherited complex and bureaucratic systems that are no longer valid in the volatile business environment of today. Hence, talent management requires further attention.

It is crucial for HR departments to manage also their own talent. Attempting to improve its image is one of the ways that the HR profession is trying to attract better talent to take the profession forward (Jacobs 2013: 1-2). Anticipating the future HR talent needs is as important as the talent requirements of any other function in the organisation.

#### 2.2.6. Knowledge Management

Knowledge management is an important aspect of the current HRM field because of the gradual move to a knowledge economy and the increased global competition. Wang et al. (2012: 1129) illustrate the effects of the shift to a knowledge economy and the changing business environment on organisations, and define knowledge management in their following statement:

“Business environment today, featured with knowledge-based competition and rapidly changing markets, require firms’ capabilities to use internal processes to constantly accumulate, integrate, and renew knowledge resources for continuous survival.”

Knowledge management, described above, falls naturally under HRM because HRM is fundamentally concerned with managing human capital, and therefore focusses on all firms’ basic knowledge assets (Minbaeva, Foss & Snell 2009: 477). For example HR mechanisms such as recruitment, selection, placement and retention are fundamental to building and maintaining knowledge in the organisation (Minbaeva et al. 2009: 478). Furthermore, Evans et al. (2011: 573) state that:

“A superior ability to globally access, share, and recombine knowledge is a hallmark of leading multinationals, and HRM is an integral part of the management of knowledge and innovation in the international firm”.

Therefore, the HR function needs to take a lead in designing cross-border structural mechanisms to capture and share knowledge. These can be global committees, task forces, or communities of practice; an appropriate social architecture for the organisation to facilitate knowledge-building networks; and supportive performance management and incentive systems among other practices (Evans et al. 2011: 573).

So, what makes knowledge so valuable to organisations? Knowledge is broader, deeper, and richer than data or information (Peng 2006). This is where its value and difficulty derive from. There are two types of knowledge that are important (Evans et al. 2011: 394) for organisational success and prosperity. The first type is explicit (or codified) knowledge (Johnson et al. 2008: 109). Explicit knowledge is objective, formal and systemic, and is used in text books or employee hand-books, and is rather easy to pass on to other people (Nonaka & Takeuchi 1995: 9) such as employees or other HR professionals and so on. The second type is tacit knowledge (Peng 2009: 305). On the contrary to explicit knowledge, tacit knowledge is personal, context specific and is gained through experience and work (Johnson et al. 2008: 109). On top of these characteristics tacit knowledge is also 'sticky' (Szulanski 1996: 29), which in turn will make the transfer of 'sticky' tacit knowledge from one person to another harder, because tacit knowledge is not easy to remove and transfer from the sender to the recipient. Thus, gaining tacit knowledge requires hands-on practice (Peng 2009: 305). This is because, as Szulanski (1996: 31) discovered, when 'sticky' transfers are being conducted the participants have to be vigilant, and effort is required to detect difficulty and to overcome the multifaceted problems. For these reasons knowledge management is a crucial, but simultaneously difficult part of human resource management.

#### 2.2.7. Protecting the Long-Term View

The current calls for harder measurements and strategic emphasis in HRM have created an opposite movement demanding HR departments to also defend the long-term view of the organisation. Paauwe (2007: 89) agrees that amid all the current profit maximising pressures, HR professionals are in a unique position to emphasise the long-term

perspective. Similarly, Evans et al. (2011: 571) argue that HR function has to be proactive and fight for the long-term perspective by emphasising the capacity in anticipating future developments. Long-term perspective is required for building and maintaining a healthy sustainable organisation, but unfortunately all the pressures from the business environment foster a short-term orientation (Evans et al. 2011: 599). Still, as already mentioned regarding HRM performance, HR practices need time to take effect and so do investments in human capital. Without a long-term perspective, rash decisions are made with immediate returns in mind with the expense of the organisation's future success and the health of the employees.

The HRM performance link typically emphasises the short-term bottom line of the company (Kaye 1999: 577). However, a longitudinal study by Hailey et al. (2005: 64) show that ignoring the employee experience, including employee well-being and commitment, causes long-term damage to the financial performance of the organisation. Therefore, focussing on the well-being of the employees is one way of providing needed balance and longevity to organisations. However, Francis and Keegan (2006: 242) point out that employee well-being appears to have less and less priority amongst HR professionals, and line managers lack time, training and interest to properly focus on the matter instead. Yet, looking after employees is crucial for organisational success and productivity. A study by Soane, Shantz, Alfes, Truss, Rees and Gatenby (2013: 441) revealed that absenteeism from work was reduced through meaningfulness of work, employee well-being and employee engagement. Consequently, productivity of employees rises when they are less absent from work. Hence, the investment in creating a meaningful work environment to make sure employees are engaged and well is not only humane and fair, but benefits also the company's bottom line.

Preserving organisational sustainability has emerged as a new domain of HR (Evans et al. 2011: 599). It is a part of protecting the long-term view of the company alongside looking after employees. Sustainable development requires firms and their employees to stick to the rules and creating a transparent culture that supports whistle blowing in case of wrong doing. Accordingly, ensuring full compliance with the corporate governance

belongs to the general management and HR (Evans et al. 2011: 599). Therefore, HR needs to make sure that future success is not compromised for enhanced current gains.

#### 2.2.8. E-HRM

E-HRM has increased greatly during the recent years, which is evident by most large organisations now using technology in one form or another in their human resource management (Parry & Tyson 2011: 335). There are varying justifications behind this increased need and usage of e-HRM in organisations. These include international economy, worldwide competition, increasing business complexity, social constraints and so forth (Kulshreshtha & Maheshwari 2012: 5). Ruel, Bondarouk and Looise (2004: 365) define e-HRM as ‘a way of implementing HR strategies, policies and practices in organisations through a conscious and direct support of and/or with the full use of web-technology-based channels’. These strategies, policies and practices include a wide array of activities. For instance, e-HRM is used for recruitment and selection, performance management, compensation and benefits, training and development, health and safety, employee relations, retention and policies on work-life balance (Parry & Tyson 2011: 336). This list is constantly lengthened, as new technologies are developed.

E-HRM is introduced in organisations with varying outcomes and aims in mind. Khatri et al. (2010: 2889) theorise that investment in both HR and IT management capabilities will have a transformational influence on business processes in knowledge intensive services. Furthermore, Parry and Tyson (2011: 335) discovered in their research of 10 case organisations that “e-HRM is introduced in order to improve efficiency, service delivery, standardisation and organisational image, to empower managers and transform HR into a more strategic function”. However, the execution of these goals is still partial. Efficiency, service delivery and standardisation were commonly realised according to their results. Yet, Parry and Tyson (2011: 335) found only some evidence of the strategic transformation of the HR function. This finding contradicts the aforementioned theory by Khatri et al. (2010: 2889), which advocates the transformational qualities of combined HR and IT capabilities in businesses. Consequently, even though Parry and

Tyson's (2011) study investigated only 10 organisations, it still gives indication that organisations use e-HRM for many purposes, but with varying results.

Furthermore, implementing an effective e-HRM system is not easy and has many pitfalls from choosing the right system to user resistance. Other challenges include, for example, limited user access, having to spend more time at the computer than in face-to-face activities, software cost, training time, and concerns over information security (Torrington et al. 2008: 811). Yet, once these challenges are overcome, e-HRM can keep businesses competitive and enable the visible status required from them in the global economy (Goessl 2010). Without e-HRM, organisations may seem old fashioned and not so desirable place to work for younger generations especially.

#### 2.2.9. HRM integration

HRM integration has become one of the key structural developments especially in IHRM. Accordingly, Briscoe et al. (2012: 56) emphasise that the ability of MNCs to handle the challenges of globalisation at least partly depends on the way MNCs overcome the challenges of integrating the parent company, including the headquarters, with their widespread global operations and subsidiaries. De Cieri, Cox and Fenwick (2007: 281) confirm in their review article that there is a definite trend in the field of IHRM towards integration.

HRM integration is centred on decisions between centralisation and decentralisation depending on the desired level of control, and global standardisation versus local adaptation, which both have their respective benefits presented in the following Table 1.

**Table 1:** Advantages of Global Standardisation and Local Adaptation of HRM.

Global Standardisation	Local Adaptation
<ul style="list-style-type: none"> <li>• Allows specialisation and scale advantages in the HR function.</li> <li>• Facilitates the use of IT-based HR tools and processes.</li> <li>• Can transfer best HR practices and work systems.</li> <li>• Global HR practices are sometimes preferred by host country nationals.</li> <li>• Serves as control mechanism.</li> <li>• Facilitates coordination across units.</li> </ul>	<ul style="list-style-type: none"> <li>• Fits with local culture, institutional, and labour market considerations.</li> <li>• Helps to fulfil local legal requirements.</li> <li>• Appropriate HR practices may enhance local goodwill and image.</li> <li>• Motivates host country managers to have locally developed practices.</li> <li>• May be needed to support the strategy of the local unit.</li> </ul>

(Evans et al. 2011: 133)

The above benefits illustrate also the challenges of global and local approaches, because the benefits of one approach often go against the benefits of the other approach. It is difficult to realise the benefits of both sides of the table. Consequently, crucial decisions need to be made for each aspect of HRM whether a centralised or decentralised and global or local approach is applied and which level of integration is adopted. These decisions determine the type of benefits the organisation is likely to gain through HRM.

Technology is often utilised in HRM integration in form of previously discussed e-HRM. More specifically, HRM systems are often integrated with the aid of information systems. Alavi and Leidner (1999: 20) agree that information systems enable a reconfiguration of business in order to achieve increased efficiency. Information systems can be defined as: the software and hardware systems that support data-intensive applications (Elsevier 2013). However, information systems are nothing without people using them. Hence, information system can also be described as “a combination of hardware, software, infrastructure and trained personnel organi[s]ed to facilitate planning, control, coordination, and decision making in an organi[s]ation” (BusinessDictionary 2013B).

The usage of information systems naturally has its benefits and challenges. Firstly, the use of information systems enables enhanced and faster communication (Alavi & Leidner 1999: 20) and knowledge transfer within organisations and between organisations. Goessl (2013) agrees that interconnectivity provided by information

systems is an essential benefit to organisations. Management information systems provide timely, correct information to the right people (Management-Hub 2013), which enables improved strategic decision making. Another benefit for businesses from information systems usage is cost effectiveness (Goessl 2013). Kulshreshtha & Maheshwari (2012: 6) add that also human error is reduced through the use of information systems. The combination of these and other benefits enables organisation to execute the chosen level of HRM integration even in geographically spread operations. However, in order to achieve the above mentioned advantages of information systems, organisations need to first go through a gruelling process of choosing, implementing, stabilising and further developing their technological solutions. Accordingly, Hevner, March and Park (2004: 76) highlight that the extent to which the organisational benefits are achieved are determined by the combination of factors such as the capabilities of the information system and characteristics of the organisation, its work systems, its people, and its development and implementation methodologies. Therefore, HRM integration is a challenging task.

#### 2.2.10. HR Service Delivery

The recent study by Meijerink, Bondarouk and Looise (2013: 83) reveal that today, there are multiple sourcing channels for the provision of human resource services. This is because over the last 15 years, HR departments have been under pressure to cut costs and to reduce the number of administrative staff, which has resulted in HR undergoing a restructuring with the aid of e-HRM solutions (Evans et al. 2011: 60). Similarly, Ulrich et al. (2008: 829) believe that HR departments need to go through an evolution in order for HR to become a value-creating staff function by structurally aligning the HR organisation with the organisation structure.

Paauwe (2007: 80) specifies that HR departments can re-structure either through internalising, which involves ‘downloading’ activities from HR staff to line, or through externalising, which involves contracting out. Consequently, the following sections will discuss HR self-service, shared service-centres, devolution, outsourcing and some of their combinations as the key developments in the HR service delivery. Moreover,



decisions over HR service delivery should not be taken lightly, even though they might not translate into sustainable competitive advantage, but a failure to execute these basic services can put the company at a competitive disadvantage instead (Evans et al. 2011: 61). Hence, due attention needs to be given to planning the organisation of the HR service delivery in order to get it right.

#### 2.2.10.1. Self-Service

Since the development of e-HRM solutions, it has been possible to internalise HRM by shifting much of the transactional HR work from HR professionals to employees and managers themselves using HR self-service tools (Evans et al. 2011: 60). Ulrich and Brockbank (2005: 186) estimate that nowadays employees can obtain answers to 60 % of their HR questions online regarding matters such as holidays, pensions, regulations, and routine transactions. In addition, self-service systems allow employees to take care of many of these routine transactions whenever and wherever, because automated systems are not tied to office hours (Ulrich et al. 2008: 836). Despite the large cost of investing in standardised HR processes and IT systems can be substantial, they can facilitate for example global internal labour markets and cross-border deployment of professional talent (Evans et al. 2011: 61). Standardisation of HR processes through self-service also helps to avoid duplication, reduce costs and ensure consistency by eliminating some of the human error (Ulrich et al. 2008: 836).

However, there are many pitfalls to avoid regarding HR self-service. These potential hazards include building the system from scratch or extensive customisation, which can become costly and impractical; believing that creating a channel is creating content in which focus is on technology rather than delivering business results; forgetting the importance of the employee relationship, rather than building loyalty between employees and the organisation, which offers the best approach to employee care; data without insight refers to forgotten data in files that are not utilised in managerial decision making; and intrusiveness, which concerns individual privacy and crossing the boundaries of work and private life (Ulrich et al. 2008: 837). Despite these challenges Ulrich et al. (2008: 837) believe that once technology becomes more user-friendly and

accessible, it will help employees to manage their individual careers and managers to produce collective value for the organisation. Shared HR services are investigated next.

#### 2.2.10.2. Shared Service Centres

Shared service centres emerged in the 1990s when large organisations started conducting many of the administrative HR tasks in a more standardised manner in a central location (Evans et al. 2011: 61). Janssen and Joha (2006: 102) found that the popularity of HR shared services derives from the aim to integrate centralisation and decentralisation models and simultaneously minimise each of their drawbacks. The trend also includes setting up the service centre in a low-cost location such as Central America, Central and Eastern Europe and India (Evans et al. 2011: 61). Service centres offer a new approach to traditional HR work including employee assistance programmes, relocation administration, benefits claims processing, pension plan enrolment and administration, applicant tracking, payroll, and learning administration (Ulrich et al. 2008: 836). According to Ulrich and Brockbank (2005: 186), calling someone at a shared service centre is the next port of call after self-service systems, when employees are unable to solve their HR related problems on their own. However, these employee-related processes need to be performed well. Otherwise, poor user-friendliness has the potential to damage employee morale or even to destroy HR's reputation (Ulrich et al. 2008: 836).

HR shared service centres can be part of internalising HRM, where the centres are created and run in-house, or externalising HRM, where they are outsourced (Ulrich et al. 2008: 837). Maatman, Bondarouk and Looise (2010: 327) describe and provide examples of the in-house HR shared service centres in the following quotation:

“Selected HRM activities are concentrated, or bundled, into a new semi-autonomous business unit that performs HRM activities for the business by providing services that are shared by various organisational entities and matched to different end-user groups. Common examples of such shared services are the use of a call centre to support employees, line managers and decentralised HRM staff, and a centre for the processing of HRM-related transactions in an information system.”

In comparison to the above internalised HR service centres, when HRM is externalised shared services are bought from an external vendor. More importantly, both academic and practitioner literature show organisations increasingly turning to external vendors for the provision and management of their shared HR services (McCracken & McIvor 2012: 1685). For instance, Paauwe (2007: 80) revealed that the companies in his research have increased their budget for outsourcing along the introduction of HR shared service centres. However, McCracken and McIvor (2012: 1685) discovered that whilst organisations might benefit from outsourced shared services, to thoroughly embrace strategic HRM, organisations need to guarantee that key internal stakeholders are fully engaged throughout the process. Otherwise, key HRM knowledge is lost from the organisation making HR's strategic role difficult to master.

#### 2.2.10.3. Outsourcing

Outsourcing is not entirely new phenomenon in HRM. Companies have for example outsourced recruitment and selection from head-hunters and recruitment firms, as well as management training programmes from business schools for many decades (Evans et al. 2011: 61). However, recent years have seen more intensified outsourcing of larger parts of HRM (Evans et al. 2011: 61). This illustrated in Paauwe's (2007: 80) research revealing that companies' investments in outsourcing are increasing. For example, 87 % of large US firms report relying on HR outsourcing (Klaas 2008: 1502). Currently, the five most commonly outsourced parts of the HR function include also previously popular recruitment and selection, and training, as well as more recent occupational health and safety, payroll, and employee benefits (Susomrith & Brown 2013: 704).

There are varying reasons for HR outsourcing. Susomrith and Brown (2013: 704) revealed the three common reasons for HR outsourcing to be acquiring specialised HR capabilities, improving quality and efficiency, and to free resources to strategic tasks. Braun, Pull, Alewell, Störmer and Thommes (2011: 364) found in their empirical research that at least service quality is indeed generally higher in outsourced than in in-house HRM provision. This was especially true of complex systems, when there is low

level control over the in-house operator. However, Evans et al. (2011: 61) emphasise that firms need to make sure to keep strategically important HR practices in-house in order to maintain their success. In order to do this, managers need to invest in understanding the differences in HR supply chains not to unwittingly relinquish power and control over critical HRM areas to other parts of the organisation or to external organisations (Kosnik, Wong-Mingji & Hoover 2006: 671).

#### 2.2.10.4. Devolution

Devolution refers to the internalisation trend in HR service delivery, which involves reallocating HRM tasks from HR professionals down to the line managers. Torrington et al. (2008: 798) confirm that recent literature has been replete with articles about devolution of HRM activities with day-to-day line management, which enables HR specialists to take the role of consultant, coach, facilitator and strategic partner. Furthermore, Evans et al. (2011: 589) believe that for HRM to be successful, responsibility needs to be shared and general managers at different levels must be involved in HRM. However, they are not so sure about HR devolvement beyond general and top management to line management.

According to the research by Kulik and Perry (2008: 541) the benefits of devolving people-management activities to line managers include HR unit's improved image among line managers, HR's increased involvement in the operation of business units and HR's increased participation in the strategic planning of the organisation. Torrington et al. (2008: 798) add, to benefits of HR devolution, an improved relationship between employees and managers resulting in a more positive approach towards employee performance.

Contrarily, devolution of HR activities has also its problems. Francis and Keegan (2006: 243) raise concerns over employees losing day-to-day contact with HR specialists since they need to rely on line managers who might lack the time and training to focus on HR work in the required manner. They fear that vanishing HR practitioners risk employees losing trust and confidence in the HR function to look after their needs. However,

Gilbert, De Winne and Sels (2011: 549) investigate empirically the devolution of HR activities to line from line managers' perspective. Their results suggest that "the execution of a high number of HR tasks does not lead to the occurrence of HR role stressors among front-line managers." But for the devolvment to work, it was crucial for the HR department to create an appropriate environment by giving necessary HR support, advice and HR competency training to line managers.

#### 2.2.11. Change Management

Change management is by no means a new area of HRM. For example Torrington et al. (2008: 7) discuss change management objectives of HR as part of the traditional personnel management agenda. However, change management is more topical than ever because of the increased global competition and multitude of changes that modern organisations face continuously some of which have been discussed in this very chapter. Because of this currently turbulent business world, top management is required to be flexible and always prepared to introduce change (Long & Ismail 2012: 24) Doyle (2002: 465) states that also HR needs to increasingly invest in change management, as "an increasing number of organisations are experiencing high velocity discontinuous change". According to Long and Ismail (2012: 24), the responsibility for easing the effects of change in organisations and protecting employees from some of the negative side effects belongs to the HR management. Evans et al. (2011: 573) believe that change management is a very important, but unfortunately often neglected area of HRM.

Torrington et al. (2008: 8) state that the key activities of the HR department in change are recruitment and development of necessary people to drive the change process, employment of change agents to ensure acceptance of change, and construction of reward systems that support the change and not the pre-change situation. In addition, HR professionals can also function as critical sparring partners to line management regarding the change process. Because of their expertise in people and organisational dynamics, HR professionals are a good sounding board regarding management decisions on engagement of key stakeholders, assessing inevitable resistance, adapting

to cultural differences, empowering new champions, and communicating the new strategy in a way that it relates to the targeted employees (Evans et al. 2011: 69).

Despite management of change being classed as one of the main roles of a strategic human resource department, evidence suggests that many HR functions play a very limited role in managing change (Alfes, Truss & Gill 2010: 109). Alfes et al. (2010: 109) discovered in their qualitative research that HR function needs to be proactive rather than reactive in both the content and the process of change in order to play a strategic role in management of change. However, this is not always realised (Ogilvie & Stork 2003: 254). HR professionals may find their roles negatively influenced for example by expectations of their role, nature of the change, capability and capacity (Truss, Gratton, Hope-Hailey, Stiles & Zaleska 2002: 39; Meyer & Stensaker 2006: 217). Contrarily, evidence from Caldwell's (2001: 39) research indicates that the HR's change agent role has become more significant and complex. It can be concluded that HR has an important, but difficult role to play in organisational change.

#### 2.2.12. Duality

Duality has historically always been inherent in HR work (Francis & Keegan 2006: 231). Therefore, HR roles are fraught with tensions and ambiguities (Truss, Makin and Kelliher 2012: 76-77). In order to manage these tensions and ambiguities, Evans et al. (2011: 55) emphasise the importance of balance, which is central in HRM. Nevertheless, it is difficult to decide between opposing needs and forces affecting HRM. Boselie, Brewster and Paauwe (2009: 467) reviewed the HRM literature and compiled the following Table 2 to illustrate the extent and variety of dualities in HRM.

**Table 2.** Dualities of HRM.

- |   |
|---|
| 1. HRM versus personnel management                                      |
| 2. HRM versus IR  |
| 3. The Harvard approach versus the Michigan approach                    |
| 4. “soft” HRM versus “hard” HRM   |
| 5. Stakeholder approaches versus shareholder approaches                 |
| 6. Multi-dimensional performance versus financial performance           |
| 7. Commitment HRM systems versus control HRM systems                    |
| 8. Rhetorics versus realities   |
| 9. Pluralist approaches versus unitarist approaches                     |
| 10. Multi-level versus single level                                     |
| 11. Multi-actor versus single respondent                                |
| 12. Longitudinal research design versus cross-sectional research design |
| 13. Qualitative methods versus quantitative methods                     |
| 14. Perceived HRM practices versus actual HRM practices                 |
| 15. Actual HRM practices versus intended HRM practices                  |
| 16. Psychological theories versus strategic management theories         |
| 17. The employee versus the employer                                    |
| 18. People versus business  |
| 19. Best fit versus best practice                                       |
| 20. Convergence versus divergence                                       |

(Boselie et al. 2009: 467)

The above Table 2 demonstrates that HR work is a balancing act. Mamman, Akuratiyagamage and Rees (2007: 2009) investigated the convergence versus divergence duality listed in the table and found evidence that supports the convergence of HR practices between developing and developed countries. Alternatively, Alvesson and Kärreman (2007: 721) emphasise the importance of studying actual rather than intended HRM practices, because “actual practices of HRM can easily fall far behind and contradict ambitious HRM objectives, ideologies, systems, and procedures”.

In addition to Table 2, De Guzman et al. (2011: 2665) compared the ideal versus practiced HRM. They found that in Asia there are considerable differences between the currently practiced HR work and the ideal HR work. These differences included strategic as well as administrative HR activities. These findings show the constraints of HR work and the difficulty of improving the situation, even if better approaches are known. Moreover, Ketkar and Sett (2009) found the duality of HRM regarding the flexibility and agility required from HRM in the today’s dynamic competitive environment, which is in contrast with the tightening regulative controls.

The effects of duality need to be considered also regarding the currently most popular directions of HRM. Accordingly, Francis and Keegan (2006: 231) raise concerns over the dominant strategic and business partner framing of HR work. They emphasise that human and economic concerns should be addressed in a more balanced HRM agenda in current and future HRM models. Hailey et al. (2005: 49) support this view based on their research. They investigated HR's role in organisational performance, and found that solely serving management and ignoring employees' needs has a damaging effect in the long run on the organisation's financial performance. Therefore, rather than discarding traditional HR roles and tasks, including them along the new directions of HRM is difficult, but necessary. This is because the duality of HRM provides HR with a unique insight into organisations that no one else has. Consequently, it is this unique insight that provides status and importance to the HR department that they desire.

#### 2.2.13. Generalist V Specialist

The dualities and paradoxes of HRM discussed in the previous section cause debate also over whether it is better to invest in HR specialist or generalist roles. HR specialists typically have expertise in one discipline of HR, while HR generalists have broader knowledge across different HR functions (Cesare & Thornton 1993: 31).

Gardner, Lepak & Bartol (2003: 166) highlight that on one hand, functional specialists are likely to be more adept in their speciality area, because they possess in-depth knowledge related to their specialism. However, HR specialists might lack oversight to resolve more strategic wide ranging problems. On the other hand, HR generalists may be more adept at dealing with issues involving variety of factors as they are exposed to a range of activities (Gardner et al. 2003: 167). Yet, lack of in-depth understanding of any particular area may damage their credibility in important decision making. Therefore, both of the approaches have their strengths and weaknesses.

The current trend is towards HR specialists. Becoming a HR specialist can be seen as a release from previous generalist work, yet 'old' generalist activities are re-emerging



(Pritchard 2010: 183). Frauenheim (2008A: 21) criticises the HR specialist trend for not producing individuals with the right mixes of experiences. Hence, there is still need for both HR generalists as well as HR specialists in order to balance the situation. Furthermore, Pritchard (2010: 183-185) found in his empirical research that some of the respondents felt that HR generalist activities supported their otherwise more specialist strategic role, while others just found it difficult to step away from the day-to-day HR activities. Hence, it might even be foolish to try to drag HR specialists completely away from all generalist tasks. Multiple perspectives need to be considered in these decisions.

### 2.3. Future Directions of HRM

This section discusses the future directions of HRM, because of the futuristic approach adopted in this study. Understanding where the HRM field is going helps to identify the roles and competencies that HR is required to assume in order to succeed in the future.

Briscoe et al. (2012: 420) contemplate on challenges of IHRM that are beginning to rise and will take full effect in the future. The following Table 3 presents challenges to the IHR function as a whole and changes in employee demands around the world.

**Table 3.** Future Challenges of IHRM.

Challenges to the IHR function	Changes in global employee demands
<ul style="list-style-type: none"> <li>• A lack of HR talent around the world, because of too little university education in HR and too little internal HR talent development in firm.</li> <li>• An increased number of employee relations issues, such as comparisons between the rights and benefits of workers in various countries</li> <li>• Changing legal frameworks due to globalisation and freer trade</li> <li>• Too little consistency in HR infrastructure for effective delivery of IHR programmes around the world.</li> </ul>	<ul style="list-style-type: none"> <li>• Global workforces want top-level leadership from within their own countries, not just from headquarters.</li> <li>• Local workforces and local HR staff want to be respected by corporate HQs.</li> <li>• Expatriates are wanted to become part of the country they are assigned to.</li> <li>• Local employees want defined career paths and to be part of the corporate career planning.</li> <li>• Local offices want to participate in corporate planning.</li> <li>• Local business units expect to be included in executive visits from headquarters.</li> <li>• Employees in foreign subsidiaries want to be included in variable compensation schemes, and in parent-company total rewards and bonus schemes.</li> </ul>

(Adapted from Briscoe et al. 2012: 420-421)

The previous Table 3 illustrates the future need for HR to increasingly assume multiple stakeholder perspectives in their work in addition to the dualities already discussed in the previous section, rather than sticking to HQ driven activities. HR expert Libby Sartain agrees that the lack of HR talent, listed in Table 3, is one of the key challenges in future HRM, which will cause difficulty in finding competent individuals to fill the most strategic roles in HRM (Frauenheim 2008A: 21). The biggest obstacle, for HR to overcome the aforementioned future challenges of IHRM, is building HR competencies in these areas (Ulrich et al. 2013: 461).

There have also been many focus groups and forums on the future of HRM, which comprise HR leaders and academics debating the topic and then proposing a forecast for the future. According to Ulrich et al. (2013: 462), for example the Society for Human Resource Management proposes that “HR professionals should learn business, be willing to change, use more analytics, find and develop talent, show greater personal initiative, have discipline in execution, prioritise better, and become accountable for results”. Similarly, Frauenheim (2008B) reports on the top predictions of a panel of experts for the human resource status in the US for 2018. Their key predictions include social media to support relationships and collaboration, extensive communication via technology, balancing global and local perspectives, stronger corporate social responsibility, clearer return on investment regarding employment, leadership development towards collaborative matrix style, strategic talent management, and tailored benefits to meet diverse need and attract talent. In conclusion, talent management related issues are the common denominator in the three lists of future HRM discussed here. These predictions were made by leading HR experts in the field. However, these views are still largely based on the current developments in HRM and are therefore not an accurate description of the future HRM.

## 2.4. Critical Views

There has been a growing interest towards critical approaches to IHRM over the past few years (Peltonen 2012: 544). Therefore, even though this literature review has

maintained a critical tone throughout, this section will offer further criticality to the topic through current critical studies in the field.

Paauwe (2007: 87) advocates criticality regarding the expansion of strategic HRM and its banners of effectiveness, efficiency, flexibility and quality as well as its dominant economic and rationality-directed criteria, which have diminished other perspectives. He worries whether there is not any space left for HR policy in its own right. Furthermore, Kates (2006) points out that the process of transforming HR from an administrative function to a strategic one has been a wrenching experience for many HR departments. She believes that this is caused by the lack of formal consideration over the way in which these new complex HR organisations should be configured to best achieve the new goals.

Peltonen (2012: 544) values the more reflexive type of inquiry emerging from the critical perspectives on the practice and theory of international management, which has seen investigation into the IHRM domains of cultural differences, multinational corporations and international working. However, he is concerned over the reverse effects of the global downturn in IHRM research towards more traditional views, and emphasises that it is beneficial to let the critique enter into the field in its many forms and styles rather than establishing an exclusive programme (Peltonen 2012: 545). Moreover, Thompson (2011: 355) provides a critical view on the critical management studies themselves. He believes that most of these studies have the mistaken assertion that “HRM is primarily a cultural construct that focuses on the creation of employee commitment. As a replacement, Thompson offers a political economy approach, which investigates HRM troubles from a financial capitalism perspective. This approach fits better with the current strategic transformation of the HRM field.

## 2.5. HR Department Roles

All the developments of the HRM field discussed previously in this chapter have a great influence on the HR department roles covered here. Burke and Cooper (2006: 83-84) stipulate some of the same and additional factors impacting the role of the HR

department including the changed values and expectations of workforce; higher performance expectations; more knowledge-based industries; ‘war for talent’; new technologies in employee assessment, selection and training; corporate scandals; shortage of effective leaders; greater need for creativity and innovation; and threats of international terrorists. Therefore, a significant amount of research has been conducted in the recent years on the role that the HR function plays in organisations (McCracken & Heaton 2012: 182). Achieving desirable results in the complex global business environment requires greater attention to human aspects of cross-border business, which results in the increased importance of the HR department (Briscoe et al. 2012: 412). Hence, the HR department is in a period of key change (Torrington et al. 2008: 783), which is investigated in this section.

The role of HR departments is changing. Traditionally the role of HR has been administrative (Torrington et al. 2008: 8). However, “SHRM argues that more than mechanical, administrative contributions are expected from HR” (Lengnick-Hall et al. 2009: 69). Similarly, Briscoe et al. (2012: 412) give the future IHR department a very strategically focussed role. Evans et al. (2011: 574) propose three more specific roles for the HR function to fulfil: HRM process and content development, HR service delivery, and business support. Moreover, Truss (2008: 1071) found that context-specific hybrid roles are emerging. More specifically she found that the strategic HR role is not replacing more traditional approaches, but it is added on top of already existing duties, which highlights the complex and often contradictory nature of HR department roles. Furthermore, even though HR departments may not be fully prepared for all these changes in their role, HRM is now viewed as a major competitive advantage, which is difficult to imitate by competitors (Burke & Cooper 2006: 84).

The changing role of the HR department has its challenges. Evans et al. (2011: 573) note that “despite the opportunities to add value in the globalization process, HR in many companies is still not perceived as a full partner in building the necessary capabilities.” This could be because top management is not convinced that HR has the scope for it. Brandl and Pohler (2010: 1025) analysed CEOs’ perceptions of the role of their HR department in Austria. The results revealed that CEOs might perceive their HR

department positively overall and be willing to give them responsibility in strategic decision making, but the HR department's role is not going to develop unless the CEO also believes that HR has scope to do so. Kates (2006: 23) adds that the transformation to a strategic partner has been a wrenching experience in many HR departments.

HR departments are becoming more formal and professional (Wolf & Jenkins 2006: 193). However, Welch and Welch (2012: 599) claim that the HR department roles suffer from the ambiguities and uncertainties associated with them. There are many reasons for this lack of clarity regarding the HR department roles including “cross-functional boundaries, substitutable expertise, unclear accountabilities and performance measures, and invariable problematic dependence on line managers for delivery” (Caldwell 2008: 277). This situation requires great assertiveness and communication from the HR department in order to clarify and strengthen their role in the organisation. The role of the HR department will be discussed further in the later section regarding HR role and competency typologies.

## 2.6. HR Professional Competencies

This section moves on to critically discuss the competencies that HR professionals require in order to be able to perform the HR department roles discussed in the previous section. Buckley and Monks (2004: 41) discovered that competency definitions and their usage vary widely. However, this study utilises the competency definition by Antonacopoulou and Fitzgerald (1996: 27) in which they suggest that a job competency “consists of the virtues unique to each individual which are expressed in the process of interacting with others in a given social context”. This definition was chosen for this study, because it places more emphasis on “the process of becoming a competent manager and less on the end result” (Antonacopoulou & Fitzgerald 1996: 42). This is important because HR competencies need to be constantly developed, and new competencies need to be learned, because of the changing role of the HR department.

At times competencies are used interchangeably with capabilities (Finch-Lees, Mabey & Liefoghe 2005: 1185). However, capability usually refers to collective or

organisational level strengths, whereas competency usually applies at the individual level (Soderquist, Papalexandris, Ioannou and Prastacos 2010: 326). Therefore, this study investigates the individual level competencies of HR professionals rather than collective HR departments.

According to Deloitte consulting firm there are three categories of HR competencies that are required for becoming a business partner: (1) business competencies including commercial awareness, business acumen, customer focus, and aligned business to HR; (2) HR competencies such as employee relations, get the basics right, HR expertise, HR metrics, and change delivery; and (3) consulting capabilities in brokering, trusted advisor, impact and influence, facilitation and coaching, leadership, and project delivery (Ulrich et al. 2013: 461-462). This is an extensive list that demonstrates that it takes time and effort from HR professionals to gain the required competencies in order to become HR experts.

HR professionals are under pressure to demonstrate how their function adds value to the organisation (Truss & Gill 2009: 674) As a response, Kamoche (1996: 213) argues based on the resource-based view of the firm that “the mutually reinforcing interaction between the stock of knowledge, skills and expertise (resources) and the organi[s]ational routines and human resource policies and practices (capabilities) generates human resource competencies whose strategic value is reali[s]able to the extent that they are linked with core competencies". This means that high quality HR competencies can contribute to firms core competencies and therefore provide sustainable competitive advantage. Hence, the development of HR competencies is crucial for the success of any organisation and provides HR department required added value. HR competencies are discussed further in the following HR typology section.

## 2.7. HR Role and Competency Models

This section identifies and evaluates five key HR role or competency typologies to demonstrate the development of the field so far. The discussion begins from earlier models towards more current ones.

HRM has remained an interest for practitioners and academics alike, and has therefore also resulted in research on HR departments and managers themselves (Buckley & Monks 2004: 41). This research includes development of many HR typologies over recent decades in order to clarify the roles that HR departments assume in organisations, and the competencies that HR professionals need for executing these roles. HR typologies are important, because they provide standards, which impact hiring, orienting, promoting, training, and assessing HR professionals (Ulrich 2013: 468). HR typologies are mainly developed in the UK or the US (Farndale et al. 2010: 46). Truss et al. (2012: 67) explore many of the widely known models, four of which are presented in the below Table 4. An additional competency model is presented later in this section.

**Table 4.** HR Role Typologies.

Authors and their models	Tactical and operational roles	Strategic roles
Legge's (1978) model of HR power and intervention.	1. Conformist innovator 2. Problem solver	3. Deviant innovator
Tyson and Fell's (1986) building site analogy.	1. Clerk of works 2. Contract manager	3. Architect
Storey's (1992) strategic/tactical model.	1. Regulators 2. Handmaidens	3. Advisors 4. Change makers
Ulrich's original 'HR Champion' model (1997)	1. Admin expert 2. Employee champion	3. Change agent 4. Strategic partner

(Adapted from Truss et al. 2012: 67-68)

Truss et al. (2012: 67) state that generally HR typologies differentiate between strategic, tactical and operational roles and their competencies. Therefore, the above table makes the distinction between these different types of roles regarding the models included. A development towards more strategic roles can be detected from Table 4. This is demonstrated by the relative number of strategic roles increasing compared to the combined number of tactical and operational roles when moving towards the more recent models. These HR role typologies are subsequently evaluated further with the help of relevant literature.

Firstly, Legge (1978: 85) provided some of the early work in the field, and identified the ‘conformist innovator’, ‘deviant innovator’ and the ‘problem solver’ roles for personnel managers (Table 4.). Karen Legge created these three roles to explain how HR professionals could effect change (Truss et al. 2012: 67). Conformist innovator uses HR expertise to improve organisational performance along the prevailing managerial value-system without challenging it. Contrarily, deviant innovator encourages radical change by questioning the status quo, and seeks to persuade line managers to fundamentally change their way of working. Finally, problem solver contributes by participating in organisational problem solving through their HR expertise. (Truss et al. 2012: 68.)

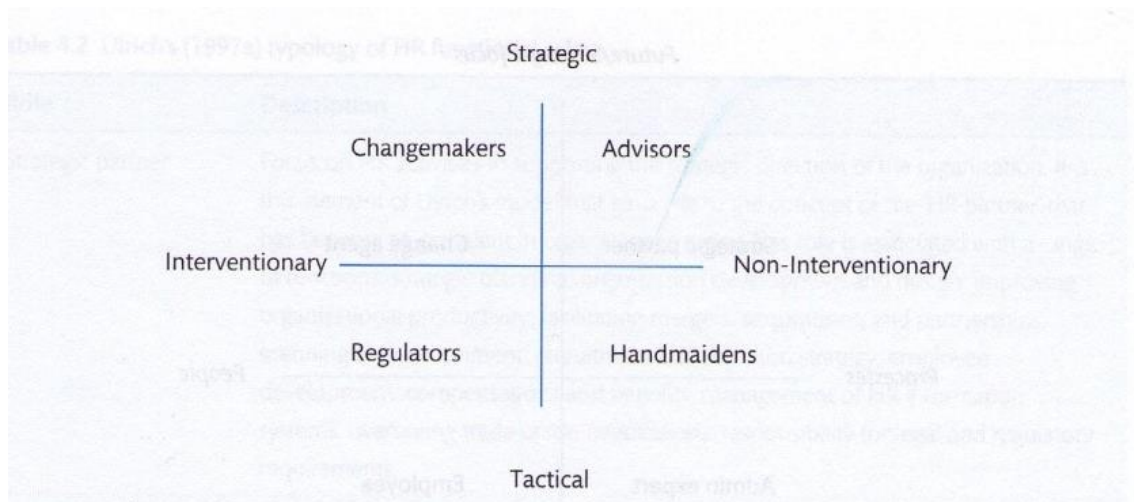
Important aspect of the Legge’s typology is the extent to which the role of the HR department is either reactive or proactive (Farndale et al. 2010:46). Conformist and problem solver are reactive and only deviant innovator is proactive. Legge found that the more proactive role of deviant innovator was not chosen by many, because of its more challenging nature (Truss et al. 2012: 68). However, evidence from following decade of the 1980s showed that HR was playing hardly any role in change management despite the multitude of opportunities (Guest 1991: 112; Clark 1993: 10). More recently the situation has changed. Caldwell’s (2001: 39) survey findings and interview evidence for example indicate that HR’s role in change has grown in significance and complexity. Therefore, HR departments are more active in change management in different ways and are also required to play a proactive role in order to maintain firms’ competitiveness in the prevailing turbulent business environment.

Secondly, nearly a decade later than Legge, Tyson and Fell (1986: 21-27) took the field forward with their typology including the ‘clerk of works’, ‘contracts manager’ and ‘architect’ (Table 4.). The model is based on the building industry, and the roles are along a continuum from low discretion to high discretion (Caldwell 2001: 39). Clerks of work are essentially concerned with paperwork and administration. Alternatively, contracts manager is focused around systems and procedures because of the significant union presence in the workplace. Finally, architect plays a strategic role by integrating HRM into the core of the business. (Truss et al. 2012: 69.)



Tyson and Fell claimed that each of the roles is potentially performed at any level of the organisation (Truss et al. 2012: 69). However, Monks (1993: 29) argued that the roles were actually cumulative rather than discrete. This means that, if a HR department is engaged in architect's role, the other two roles would have been performed first in order to elevate to an architect. This cumulative approach supports the dualistic nature of HRM, where traditional HR roles should not be forgotten in order to become strategic. Instead, they should be performed simultaneously in order for HR to become the most influential possible. Caldwell (2001: 39) believes that Tyson and Fell's typology is probably the best known and one of the most useful models in understanding HR department roles, despite the fact of not specifically including a role regarding change management. Regarding the present day, the tasks of clerk of works are increasingly performed through e-HRM systems and architects strategic role is emphasised as discovered previously in this literature review. However, contracts manager's relevance in today's HR department depends largely on the country and industry in question, because union presence has changed significantly in the past few decades.

Thirdly, Storey (1992) created a four-fold typology of personnel roles based on a multiple case study of 15 UK companies and public sector organisations. He proposed the roles of 'adviser', 'handmaiden', 'regulators' and 'changemakers' plotted against two axes of intervention versus non-intervention and strategic versus tactical as seen in the following Figure 1.



**Figure 1.** Storey's Typology of HR Department Roles.

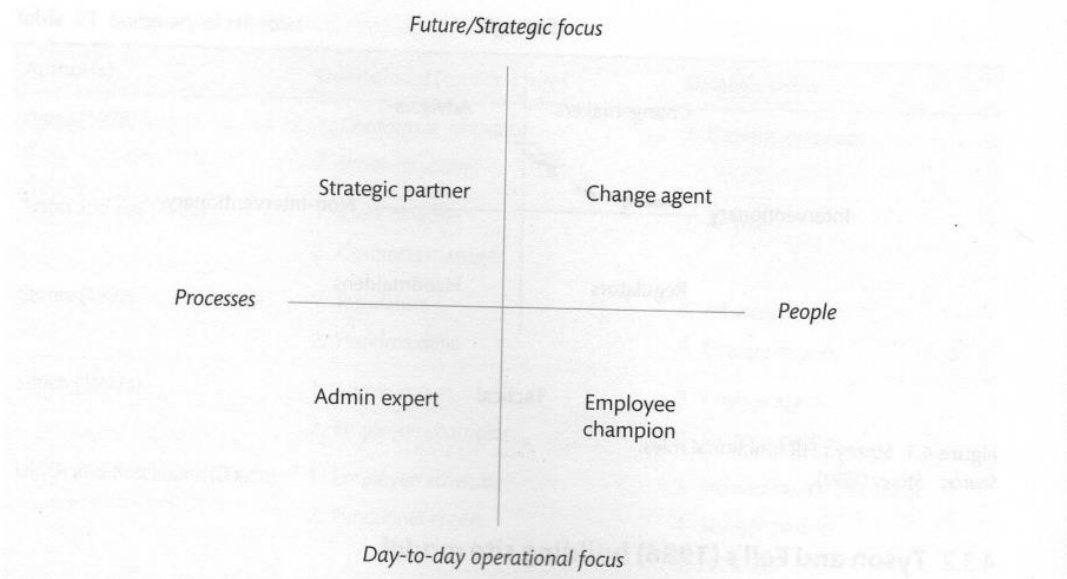
(Based on Storey 1992)

The advisors, in the previous Figure 1, were engaged in internal consultancy and advice to line managers. Contrarily, handmaidens were reactive to demands from line managers. Regulators were involved in the development and application of employment rules and policy. Finally, changemakers were concerned with SHRM and change management. (Truss et al. 2012: 69-70.)

Similarly to Legge, Storey struggled to find HR departments that were actually performing the changemaker role (Truss et al. 2012: 70). However, when Caldwell (2003: 983) tested Storey's model a decade later in a large sample of 98 organisations, the changemaker was the second most significant role after the most popular advisor role. These findings support the increased importance of strategic HRM and change management in HRM. In addition, the popularity of the advisor role reflect the aforementioned HR devolution trend, because when HR tasks are passed on to line managers, HR department's role is to support and advice line managers with their new responsibilities.

Fourthly, Dave Ulrich and his team have been doing research on HR competencies and roles since 1987 (Ulrich et al. 2013: 457). Their work is the most influential in this area and has seen many updates over the decades, yet still faces disputes and criticism (Caldwell 2008: 277; Francis & Keegan 2006: 235). However, it is Ulrich's model from 1997 and the terminology used in it that are the most famous and still frequently used today (Truss et al. 2012: 70), and therefore included in this discussion.

Ulrich (1997: 17) argued that HR professionals must embrace his four proactive roles as champions of competitiveness in creating and delivering value. These four roles are 'strategic partners', 'administrative experts', 'employee champions' and 'change agents', which are defined along two axes of future or strategic focus versus day-to-day operational focus and process versus people as illustrated in the following Figure 2.



**Figure 2.** Ulrich's Typology of HR Department Roles. (Based on Ulrich 1997)

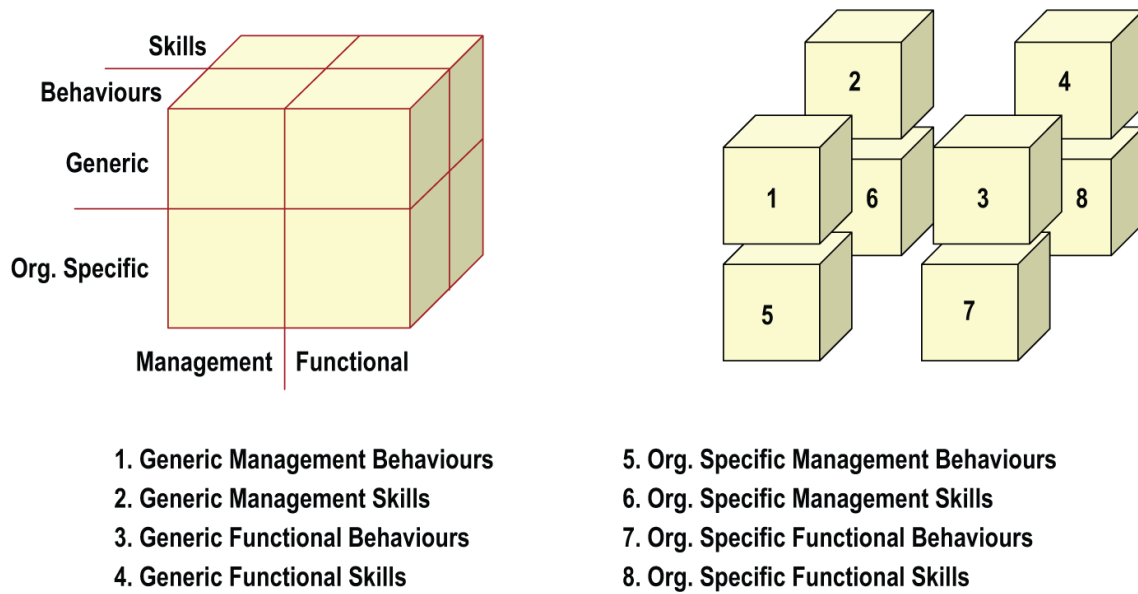
Out of the HR roles demonstrated in the above figure, strategic partner is the one that has become the most prevalent in organisations today. It focuses on HRM activities in supporting the strategic goals of the organisation. Contrarily, administrative expert focuses on ensuring that HR activities and tasks are executed efficiently and quickly, responding to line managers demands and demonstrating HR's added value to the organisation. Employee champion is the shrinking HR department role, which focusses on the wellbeing of individuals and conversely also on ensuring that employees are aware of the firm's strategic issues. Finally, change agents true to their name focus on the management of organisational change. (Truss et al. 2012: 71.)

The strength of Ulrich's work is that he recognises that how these roles are enacted and in what combination varies considerably (Welch & Welch 2012: 600). Yet, even though it is one of the most well-known HR typologies, Ulrich's model has been criticised especially for being too similar to that of Storey's (Welch & Welch 2012: 600). For instance, Caldwell (2003: 1002) emphasises that the model "should be viewed with considerable caution", because the potential conflicts between the four roles have not been sufficiently taken into account in respect of the realities of organisational life. This lack of pluralistic view in Ulrich's model is reflected in its low introduction in organisations despite its influence. Accordingly, CIPD revealed in their survey in 2008

that fewer than 30% of organisations had fully introduced Ulrich's model and a further 30% had introduced it partially (Truss et al. 2012: 71).

There is also contradiction over whether Ulrich's 1997 typology concerns HR roles or competencies. Many authors refer to it as a HR role typology (Caldwell 2001; Farndale et al. 2010; Truss et al. 2012). Simultaneously, others discuss it in relation to HR competencies (Caldwell 2008; Soderquist et al. 2010). The reason why Ulrich's model is easily interpreted as a role typology, is the wording, which gives the impression of roles rather than competencies. However, these seeming roles include also competencies for effective HR work. Indeed, Ulrich (1997:2) himself emphasise both roles and competencies. This duality of Ulrich's work fits this study well, because of the aim to investigate both of these aspects.

The fifth model to be evaluated is the HR competency typology by Soderquist et al. (2010: 333). Their model specifies eight competencies of 'general management behaviours', 'generic management skills', 'generic functional behaviours', 'generic functional skills', 'organisation-specific management behaviours', 'organisation-specific management skills', 'organisation-specific functional behaviours', and 'organisation-specific functional skills'. These competencies are formulated along three critical dimensions of generic versus organisation-specific, operational versus managerial, and skills versus behaviours as shown in the following Figure 3.



**Figure 3.** HR Competency Typology.

(Soderquist et al. 2010: 333)

Soderquist et al. (2010: 326) generated the above HR competency typology in order to support the transition from a task-centred to a competency-centred logic in HRM. They integrated previous competency definitions and frameworks and implemented it at two case companies in order to produce their typology (Soderquist et al. 2010: 325).

Stevens (2013: 96) emphasises that the benefit of the typology by Soderquist et al. is that it allows organisations to appropriately balance different forms of competencies such as managerial and functional competencies for technical management roles. This model also adds to the growing recognition that competencies include a variety of individual and other attributes (Stevens 2013: 96). Furthermore, this HR competency typology was empirically tested and was found easy to use, theoretically grounded and practically relevant framework, which for example helped case organisations to immediately identify gaps in their job descriptions (Soderquist et al. 2010: 342). However, even though Soderquist et al. (2010: 342) thrived to make their typology as generalizable as possible, reality of HR competencies may still deviate significantly due to factors such as industry, size, strategy and resources. This highlights the complexities of the current business environment and the challenges it causes to HR professionals in

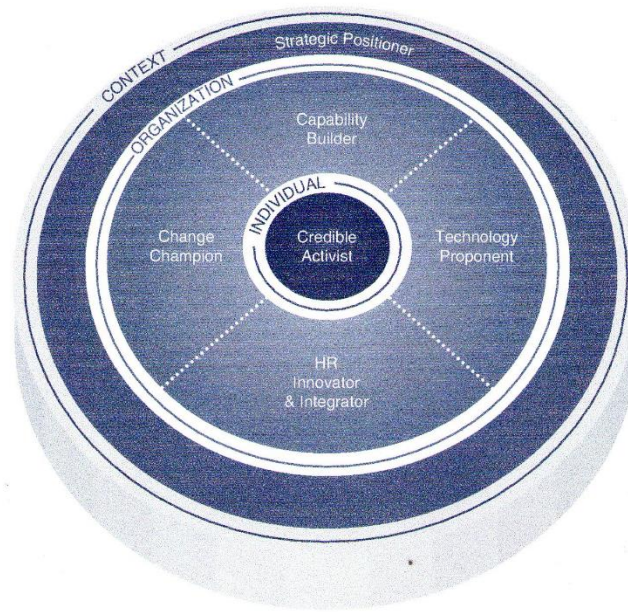
identifying and developing relevant competencies. The following section moves on to examine the theoretical model chosen for this research project.

## 2.8. Chosen Theoretical Model

This section presents and evaluates the central theoretical model for this study. The chosen model is the latest typology of HR roles and competencies by Ulrich et al. (2013). The discussion proceed from an overall description and evaluation of the typology to examining each HR role and related competencies at the time.

Ulrich and his team have been conducting longitudinal HR role and competency focused research since 1987 (Ulrich et al. 2013: 458), as already mentioned in the previous section. Ulrich's work is widely known (Hailey et al. 2005: 50), and a new or updated typology has been created every five years in order to clarify roles, competencies, standards and expectations for HR (Ulrich et al. 2013: 457-458). Their latest typology was chosen to be the main theoretical model in this study, because of the authors' extensive expertise in the topic area. The research for the competency model by Ulrich et al. (2013: 458-459) was conducted across a global sample including HR participant, HR colleagues and non-HR associates from most industries and every region of the world. Therefore, their study overcomes the criticism of too many UK and US based typologies (Farndale et al. 2010: 46).

The latest typology of HR roles and competencies by Ulrich et al. (2013: 467), includes the future HR functional roles of 'strategic positioner', 'credible activist', capability builder', 'change champion', 'HR innovator and integrator', and 'technology proponent', which require competencies on an individual, organisational and contextual level as demonstrated in the following Figure 4.



**Figure 4.** HR Department Roles for the Future.

(Ulrich et al. 2013:464)

In addition, the above future HR department roles require specific competencies that HR professionals need to possess or develop, which are presented in the following Table 5. Each of the roles and competencies in the typology are critically assessed later in this section.

**Table 5.** Competencies of HR Professionals.

<b>Strategic Positioner</b> <ul style="list-style-type: none"> <li>• Interpreting global business context</li> <li>• Decoding customer expectations</li> <li>• Co-crafting a strategic agenda</li> </ul>	<b>Change Champion</b> <ul style="list-style-type: none"> <li>• Initiating change</li> <li>• Sustaining change</li> </ul>
<b>Credible Activist</b> <ul style="list-style-type: none"> <li>• Earning trust through results</li> <li>• Influencing and relating to others</li> <li>• Improving through self-awareness</li> <li>• Shaping the HR profession</li> </ul>	<b>HR Innovator and Integrator</b> <ul style="list-style-type: none"> <li>• Optimising human capital through workforce planning and analytics</li> <li>• Developing talent</li> <li>• Shaping organisation and communication practices</li> <li>• Driving performance</li> <li>• Building leadership brand</li> </ul>
<b>Capability Builder</b> <ul style="list-style-type: none"> <li>• Capitalising organisational capability</li> <li>• Aligning strategy, culture, practices and behaviour</li> <li>• Creating a meaningful work environment</li> </ul>	<b>Technology Proponent</b> <ul style="list-style-type: none"> <li>• Improving utility of HR operations</li> <li>• Connecting people through technology</li> <li>• Leveraging social media tools</li> </ul>

(Ulrich et al. 2013: 467)

In preparation to produce the HR roles and competencies (Table 5.), Ulrich et al. (2013: 458) drew on previous research, focus groups, theory and experience. This process identified 139 specific behaviours defining what HR professionals should be, know and do. Ulrich et al. (2013: 458-459) tested these competencies through a 360-degree-based survey methodology with a sample of 20,013 respondents regarding 2,638 individual HR professionals, which is the largest global, comprehensive, and longitudinal assessment of the HR profession. The participating HR professionals completed a self-assessment questionnaire on their performance in each competency domain and on the relative impact of these competencies on personal effectiveness and business performance, and then invited both HR and non-HR associates to similarly assess their ability to deliver these competencies (Ulrich et al. 2013: 458). This provided key insight into the key stakeholders' perceptions on HR roles and competencies.

Despite the different respondent groups, the study fails to provide insight into the differences in the respondents' perceptions. This type of comparison would help further the understanding of relationships and collaborations among HR related the stakeholders. Moreover, Ulrich et al. (2013: 458) explore perceived rather than actual HRM activity, which erodes the reliability of the results (Boselie et al. 2009: 465). This means that the above results reflect HR's perceived rather than actual effectiveness and influence on business success. In order to reveal the real levels of HR's effectiveness and influence on business success, the results need to be further tested on already enacted HR activity. However, multiple stakeholder perceptions provide valuable initial insight into the area. An examination of the different components of the typology is performed next. This includes a discussion of the results from the survey regarding the perceived performance, effectiveness and business performance of each category.

#### 2.8.1. Strategic Positioner

Strategic positioner role and its related competencies, presented in the previous Table 5, is the first section of the typology by Ulrich et al. (2013) to be investigated here.



Strategic positioner role involves thinking and acting from the outside in by mastering four levels of business: learning the language of business, co-creating the organisational strategy, targeting and serving key customers of the organisation, and becoming deeply knowledgeable of the relevant general business condition such as social, technological, economic, political, environmental and demographic trends (Ulrich et al. 2013: 463). In order to master this departmental HR role, HR professionals need contextual level competencies in: interpreting global business context, decoding customer expectations and co-crafting a strategic agenda (Ulrich et al. 2013: 467).

This role and competencies are clearly linked to the prevailing HRM trends in SHRM (Lengnick-Hall et al. 2009: 65) and business partnering (Caldwell 2008: 275). Accordingly, pursuing the strategic positioner role and related competencies means getting the HR department involved in the boardroom level decision making, which is by no means an easy task (Raja et al. 2013: 313). Furthermore, care has to be taken not to overly emphasise this strategic business direction of HR. Otherwise, the human aspect of HRM is threatened (Francis & Keegan 2006: 232).

The results of the research show that strategic positioner was perceived rather mediocre in all three researched aspects compared to other categories (Ulrich et al. 2013: 465). In other words, HR's performance as a strategic positioner is average, and HR is not perceived as particularly effective as strategic positioner either. Moreover, strategic positioner's perceived impact on business performance is the second lowest in the typology. This begs the question whether the current emphasis on this area is justified.

#### 2.8.2. Credible Activist

Credible activist and the competencies for this role (Table 5) are discussed here.

Credible activist role involves building personal trust through business acumen. Credibility grows through kept promises, building personal relationships and reliability. Moreover, credible activist communicates clearly and consistently with integrity. They are also self-aware and build their profession. (Ulrich et al. 2013: 463.) Consequently,

credible activist role requires HR professionals to gain individual level competencies in: earning trust through results, influencing and relating to others, improving through self-awareness, and shaping the HR profession (Ulrich et al. 2013: 467).

This role provides the best opportunity for protecting the long-term view of the company (Paauwe 2007: 89), even though it is not clearly indicated in the role or competency descriptions. In addition, credible activist demonstrates the inherent duality of HRM (Francis & Keegan 2006: 231) in comparison to the strategic positioner presented in the previous section. This is because strategic positioner looks from outside in and focusses on the business perspective, whereas credible activist looks from inside out and focusses on more individual employees. In addition, competencies in earning trust through results reflects the pressure on HR to develop ways of measuring their own performance (Paauwe and Boselie 2005: 71).

Regarding the survey results, credible activist gets the top score in the first two studied aspects and the lowest score in the third aspect (Ulrich et al. 2013: 465-466). In other words, HR department functions best in the credible activist role and it is also perceived the most effective in this role. However, the competencies for credible activist systematically have much less impact on business performance than competencies for other roles. Therefore, HR needs to be cautious of building additional strength in this area, despite the seductiveness of being seen as very effective as credible activist (Ulrich et al. 2013: 467-468).

### 2.8.3. Capability Builder

Capability builder is the third HR department role to be discussed here along with relevant competencies as seen in Table 5.

Capability builder role involves melding individual abilities into effective organisational capabilities. Capabilities represent organisation's institutional strengths and the positive reputation gained from them. Capability builder facilitates capability audits on customer service, speed, quality, efficiency, innovation, collaboration and nowadays even on the

level of meaningfulness and purpose at work and so forth. (Ulrich et al. 2013: 463.) To complement this role, HR professionals require organisational level competencies in: capitalising organisational capability; aligning strategy, culture, practices, and behaviour; and creating a meaningful work environment (Ulrich et al. 2013: 467).

Capability builder reflects for example the knowledge management trend discussed previously in this chapter. For example, Wang et al. (2012: 1129) emphasise that firms capabilities are required for internal processes constantly accumulating, integrating, and renewing knowledge resource in pursuit of continuous survival.

The survey results regarding capability builder are rather mediocre for the first two factors, but towards the top end for the last (Ulrich et al. 2013: 465). In other words, HR's performance and perceived effectiveness as capability builder is average. Contrarily, capability builder received shared second highest score regarding the impact it has on business performance. More specifically, competencies in aligning strategy, culture, behaviour, and practices were ranked to have the second-greatest impact of business performance of all the competencies in the typology (Ulrich et al. 2013: 466). This indicates an obvious competency area for HR professionals to invest in.

#### 2.8.4. Change Champion

Change champion, including relevant competencies, is the fourth area of the typology to be discussed in the following (Table 5.).

The role of change champion involves making sure that isolated and independent actions are integrated and sustained during disciplined change processes in the organisation. HR needs to make the organisation to keep up with the pace of change through changing patterns, making things happen and by enabling personal change. (Ulrich et al. 2013: 463). To fulfil this role, HR professionals need organisational level competencies in: initiating change and sustaining change.

Change champion is obviously linked to the continuous change management trend in HRM. This is because the currently turbulent business world, requires top management to be flexible and always prepared to introduce change (Long & Ismail 2012: 24), and HR has a key role in managing these changes.

The survey results for change champion are consistently middle of the road for all studied factors (Ulrich et al. 465). Hence, HR's performance, effectiveness and impact on business performance regarding change champion is average compared to the other categories in the typology. Yet, some disparity is detected. Ulrich et al. (2013: 466) revealed that in order to be seen as a competent individual contributor it is better to focus on initiating change, whereas from the business performance viewpoint sustaining change is more important. Indeed, sustaining change was the third most significant competence regarding business performance (Ulrich et al. 2013: 468), and should therefore be valued in practice.

#### 2.8.5. HR Innovator and Integrator

The fifth role for HR departments in the typology (Table 5.) is the HR innovator and integrator, which is examined next together with the matching competencies.

Human resource innovator and integrator role requires knowing the past research on HR in order to be able to innovate and integrate HR practices into unified solutions for future business problems. HR innovator and integrator knows the latest HR practices in relation to human capital, performance accountability, organisational design and communication. Integrated solutions are generally tied to the leadership brand of the organisation, and are aimed to have high impact on business results. (Ulrich et al. 2013: 463.) For this role HR professionals need competencies in: optimising human capital through workforce planning and analytics, developing talent, shaping organisation and communication practices, driving performance, and building leadership brand.

HR innovator and integrator related HRM trends include for instance: human capital (Wang et al. 2012: 1129), talent management (Wright & McMahan 2011: 93), HRM

integration (De Cieri et al. 2007: 281) and performance management (Hailey et al. 2005: 49). Accordingly, HR innovator and integrator is engaged in ensuring that HRM systems are sufficiently integrated in order to harness all valuable human capital of each talented employee leading to improved organisational performance.

The results of the survey regarding HR innovator and integrator were average for the first two factors, but the highest for the last one (Ulrich et al. 2013: 465). Hence, HR departments showed mediocre performance and effectiveness in the HR innovator and integrator role. Yet, this role and competencies had the largest perceived impact on business performance. This high score for HR innovator and integrator in combination with the high score for capability builder reinforces the logic of integrating HR practices to create and sustain key organisational capabilities in order to considerably influence business performance (Ulrich et al. 2013: 466).

#### 2.8.6. Technology Proponent

Finally, technology proponent is the sixth HR role, from Table 5, to be explained and analysed here along with relevant competencies required for performing this role.

Technology proponent role requires HR departments to use technology to more efficiently deliver HR administrative systems including benefits, payroll processing, health care costs, and others. Technology needs to be also used for helping people to stay connected with each other. Through social media tools technology proponent can also support relationship building. (Ulrich et al. 2013: 463.) The matching competencies for HR professionals include: improving utility of HR operations, connecting people through technology, and leveraging social media tools (Ulrich et al. 2013: 467).

Technology proponent role is clearly born out of the e-HRM trend (Parry & Tyson 2011: 335), which was discussed previously in this literature chapter. Consequently, organisations and their HR departments cannot ignore the role of technology in HRM anymore. Doing so, might make them appear old fashioned and less attractive to the new generation of job applicants.

The survey results for technology proponent are twofold. For the first two tested factors it received the lowest score of the lot and for the third one the second highest (Ulrich et al. 2013: 465). This means that HR's performance and effectiveness as technology proponent was rather poor. Yet, technology related competencies resulted in a high perceived impact on business performance. More specifically, connecting people through technology was ranked as the most important factor regarding business performance (Ulrich et al. 2013: 468). This shows that technology proponent is the area with most potential. Moreover, these results suggest that for HR professionals need to master technology and information in order to drive business performance. The following section illustrates the significance of different perspectives and contextual factors on HR functional roles and the competencies of HR professionals.

## 2.9. Impact of HRM Context and Perspectives

This section will discuss the importance of different perspectives and contextual factors regarding HR roles and competencies. As seen in connection to the chosen theoretical model for this study, Ulrich et al. (2013) responded to the previous criticisms regarding their unitarist HR competency and role research. Instead of their previous single country context and single respondent perspective they opted for a global sample including three different stakeholder perspectives to provide a more pluralist typology.

Indeed, there has been recently requests for more pluralist studies in HRM (Boselie et al. 2009: 465-466). Investigating multiple perspectives and contexts is important, because issues vary largely depending on these factors. For example, Horwitz (2011: 432) highlights the different HR issues in transitional economies compared to more stable business environments. Tootell, Blackler, Toulson and Dewe (2009: 375) instead accentuate the difficulty of making universal HR models because of the variances between different businesses. Moreover, Welch and Welch (2012: 601) critique current HR role and competency models regarding their incompatibility with internationalising firms. In addition, Jones and Saundry (2012: 252) underline the lack of research into the

different stakeholder perceptions and relationships in their study of line managers and HR professionals.

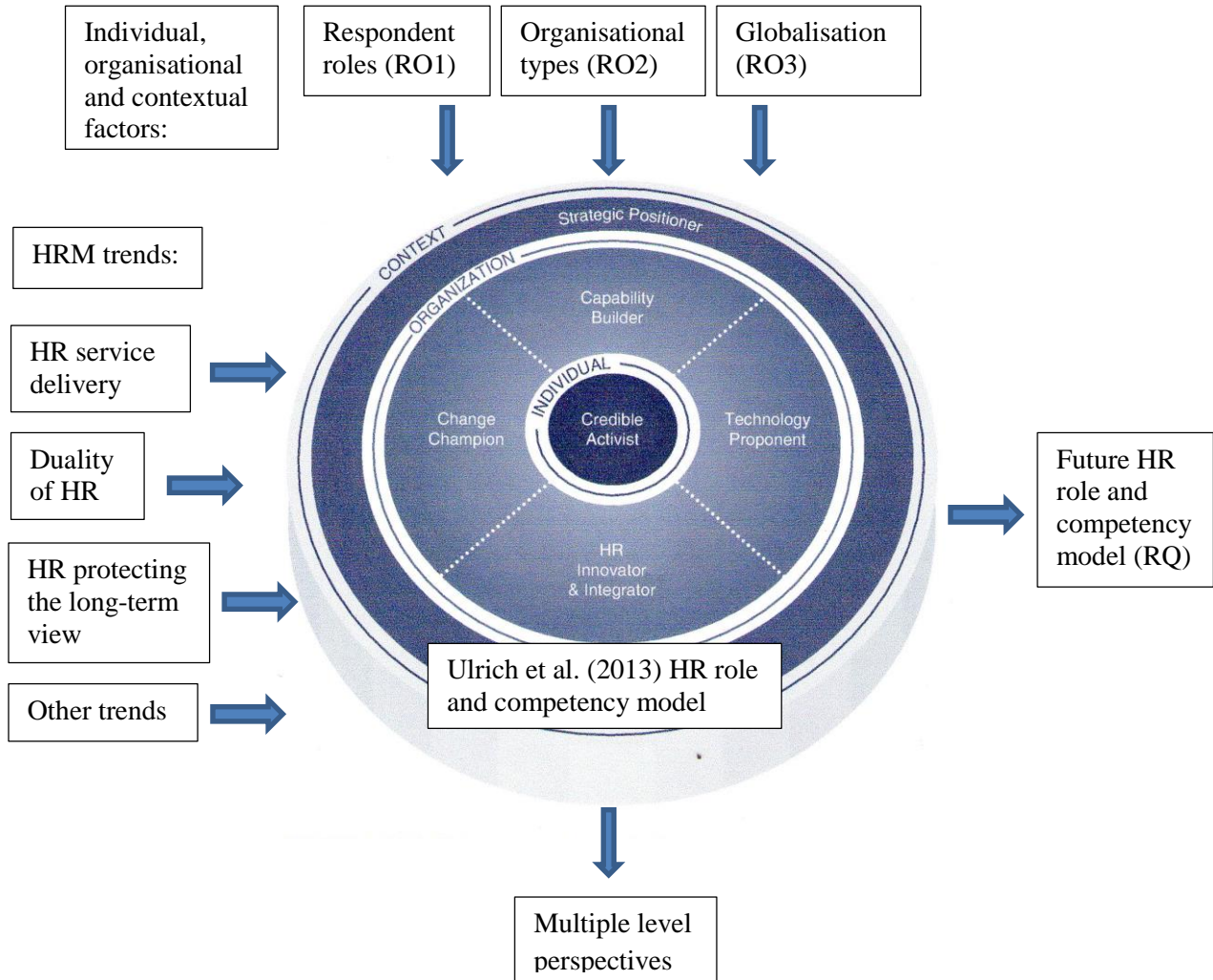
This current demand for research in different contexts and acknowledging different stakeholder perspectives is starting to take effect. For example, different authors are investigating the effects of globalisation and organisations becoming more international on HRM (Roehling et al. 2005; Novicevic and Harvey 2010; De Guzman et al. 2011; Welch & Welch 2012). Simultaneously, others are examining different organisational types, industries, and the public and private sector (Alvesson & Kärreman 2007; Townsend & Wilkinson 2010; Alfes, Shantz & Truss 2012). There is research also from varying stakeholder perspectives rather than just from HR professionals themselves (Mitsuhashi, Park, Wright and Chua 2000; Francis & Keegan 2006; Brandl & Pohler 2010; Monks, Kelly, Donway, Flood, Truss & Hannon 2012). Also different geographical locations have raised interest (Sumelius 2009; De Guzman et al. 2011; Jain, Mathew and Bedi 2012; Kamoche & Newenham-Kahindi 2012). However, further research into different factors is still needed in order to provide clarity to the different components influencing HR roles and competencies.

## 2.10. Review Summary

The findings of this literature review chapter are synthesised into a heuristic framework, which is presented in the following Figure 5. This is to provide a summary of the key points of the literature review. The heuristic framework will also be used as a starting point for coding the data at the data analysis stage. However, the findings may go beyond this framework in order to allow for different factors to emerge from the data.

The HR role and competency model by Ulrich et al. (2013: 464), which was discussed in detail earlier in this chapter, is set in the middle of the heuristic framework (Figure 5.). On the right hand side of the figure, there are some of the key HRM trends utilised in the analysis in addition to the chosen HR role and competency typology. Application of these combined factors to the data set in line with the research question will produce a future HR role and competency model, which is illustrated on the left of the figure.

Moreover, in the top part of the Figure 5, there are the individual, organisational and contextual factors in accordance with the research objectives set for this study. These factors in combination with the key theoretical model will provide multiple level perspectives on the topic illustrated at the bottom of the below Figure 5.



**Figure 5.** Heuristic Framework.

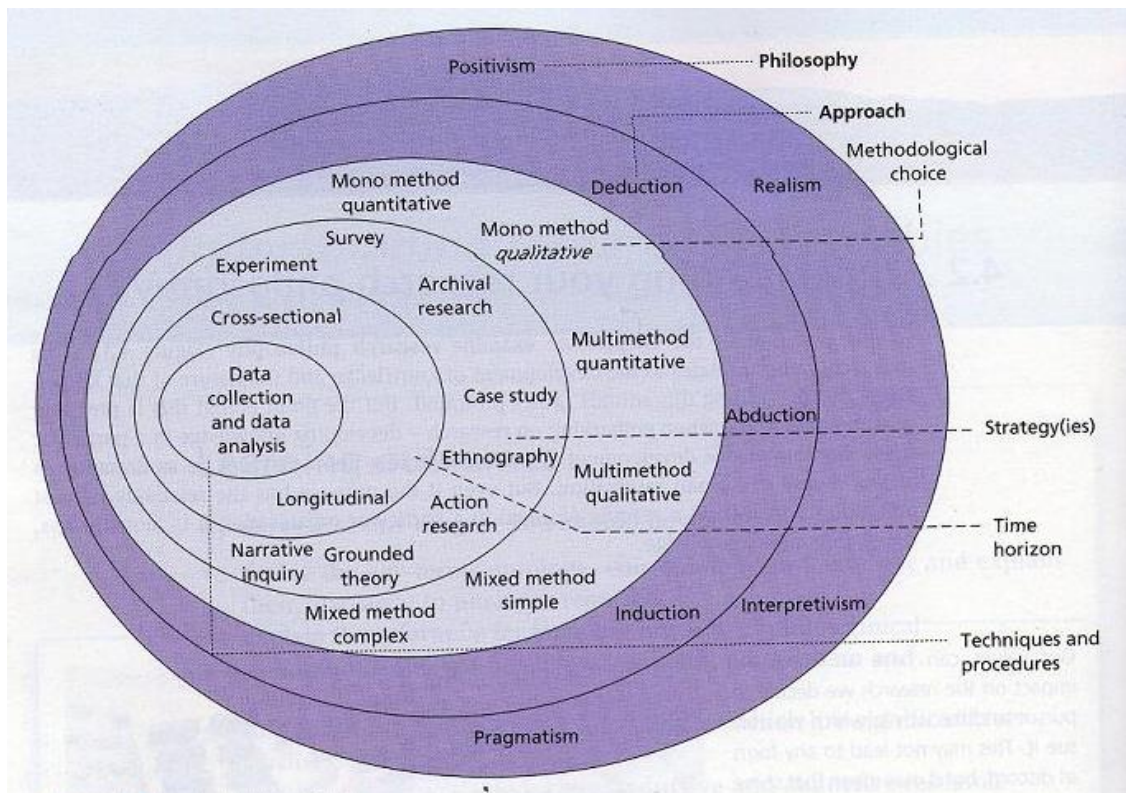
(Adapted from Ulrich et al. 2013: 464)

The following chapter will explore the methodological aspects of this study. It will include a more detailed explanation of the data analysis in which the above heuristic framework is utilised in as well as a range other relevant methodological matters.



### 3. METHODOLOGY

This chapter will explain and justify the particulars of the research methodology applied to executing this study. Research methodology refers to the manner in which the research is conducted (Quinlan 2011: 481). This methodological discussion will be undertaken based on the research onion by Saunders, Lewis and Thornhill (2012: 128), which is presented in the following Figure 6. The discussion will evolve from the positivism and interpretivism research philosophies, abductive research approach and mixed method methodological choice, through the survey research strategy and cross-sectional time horizon to the data collection and data analysis. Finally, the validity and reliability of the research project are argued for.



**Figure 6.** The Research Onion.

(Saunders et al. 2012: 128)

To begin the formation of the research design, the first layer of the above research onion is peeled back in the next section by presenting the research philosophy of this project.

### 3.1. Research Philosophy

This section elaborates on the research philosophy of this study. Research philosophy relates “to the development of knowledge and the nature of that knowledge” (Saunders et al. 2012: 127). Quinlan (2011: 95) describes the philosophical framework as “the worldview within which the research is situated”. These two definitions underpin the importance of understanding the chosen or naturally adopted research philosophy. This is because the worldview of the researcher influences the research at every step of the way (Quinlan 2011: 95). Hence, the researcher’s beliefs fundamentally determine what is seen as academic knowledge and the way in which it should be developed (Saunders et al. 2012: 128). Therefore, it is important to comprehend the philosophical choice made in order to understand the way it influences the research project along the way.

It can be seen from the research onion (Figure 6.) that there are different philosophical options for management and organisational studies such as this, for example pragmatism, realism, positivism, interpretivism and so forth. However, this study will focus on two of them, positivism and interpretivism, which are discussed next.

Firstly, this study is mainly influenced by positivism, which ‘advocates working with an observable reality’ (Saunders et al. 2012: 678). In this study, participant statements are treated as accounts of the reality of HR professionals (Silverman 2006: 119). Positivism was chosen for this project, because it is the dominant underlying philosophy utilised in the development of management and organisational research (Symon & Cassell 2012: 18). In addition, it is suitable for survey research (Silverman 2006: 119) and the objective and systematic content analysis (Symon & Cassell 2012: 396) utilised in this study. However, this approach could be criticised for not taking into account the subjective nature of human thoughts and actions (Symon & Cassell 2012: 19), which are present in the responses of the participants of this study. This criticism is overcome by standardising the research procedure (Silverman 2006: 121) as much as possible in a form of a survey, which is delivered to the participants in a standard manner. Furthermore, this study will adopt an abductive research approach and positivism

underpins especially the deductive part of the research, which is conducted based on the latest Ulrich et al. (2013: 465) theoretical model examined in literature review chapter.

Secondly, interpretivism is concerned with “human interpretation as the starting point for developing knowledge about the social world” (Prasad 2005: 13). Accordingly, interpretivism focusses on research conducted on people rather than objects (Saunders et al. 2012: 137). Hence, even though interpretivism is in contrast with positivism (Bryman & Bell 2007: 17), this philosophical approach is suitable for the later inductive part of this abductive study, similarly to the way in which the deductive is in contrast with the inductive part of the abductive research. Consequently, new theories are created at the end of the project by interpreting the competencies of HR professionals in social situations in Finnish organisation. Interpretivism is more subjective than positivism and the researcher has a central role in the research process (Symon & Cassell 2012: 21), which aids in exploring new lines of research. However, care has to be taken in order to avoid damaging the validity and reliability of the research. These are covered later on this chapter. The following section examines the research approach.

### 3.2. Research Approach

This section focusses on the second layer of the research onion in Figure 6, the research approach, which includes the deductive, inductive and the abductive research approaches. Research approach is concerned with the way in which the use of theory is involved in a research project (Saunders et al. 2012: 143).

Research project is usually designed around a deductive or an inductive theoretical approach. In a deductive approach, research is conducted with reference to hypothesis and ideas inferred from the theory (Bryman & Bell 2007: 727). Contrarily, in an inductive approach the relationship between theory and research is reversed and theory is generated out of the research instead (Bryman & Bell 2007: 728). This piece of research begins with deductive elements by utilising a HR role and competency model by Ulrich et al. (2013: 465) in combination with other elements derived from theory to examine the extent to which they apply to the Finnish context. Besides this however, the

study proceeds to create new theory based on the findings, which requires inductive reasoning. In conclusion, the combination of the deductive and inductive elements of the study to generate a new or modify an existing theory signifies that abductive approach is the chosen research approach for this project (Saunders et al. 2012: 145). The following section illustrates the methodological choice of this study.

### 3.3. Methodological Choice

This section is concerned with the qualitative and quantitative aspect of the study and the number and the way of methods applied to the research. Methodological choices are illustrated on the third layer of the research onion in Figure 6 at the beginning of this chapter.

First of all, qualitative research typically emphasises the words rather than quantifications, whereas quantitative research conversely adopts a numeric approach to data collection and analysis (Bryman & Bell 2007: 731). This distinction in the methodological choice is important, but can also be seen as both problematic and narrow, because it is common to mix elements of both qualitative as well as quantitative in business and management research (Saunders et al. 2012: 161). Furthermore, Silverman (2006: 34) underlines that the choice of methods depends upon the aims of the research. Accordingly, this study is mainly a piece of qualitative research in form of open ended survey questions and qualitative content analysis investigating emerging themes and the meanings behind them. However, the study has also clearly quantitative elements to it. For instance, the large sample size enables also numeric presentation of the data, which is undertaken through quantification of the qualitative data by calculating the frequency of the emerging themes. Consequently, the quantified data is presented in tables and figures to support the qualitative data analysis.

The combination of qualitative and quantitative research signifies that the mixed method is the methodological choice of this study. Furthermore, there are multiple motivations for employing the mixed method design, such as focus, generalisability, problem solving, interpretation, complementarity, triangulation and so on (Saunders et

al. 2012: 169). Firstly, quantitative methods help to focus on the deductive elements and qualitative methods on the inductive elements of this abductive study (Bryman & Bell 2007: 654). Secondly, quantifying the qualitative data provides generalisability to the results (Bryman & Bell 2007: 651). Thirdly, qualitative methods are useful in problem solving regarding the unexpected results deriving from the quantitative part (Bryman & Bell 2007: 656). Fourthly, qualitative methods also facilitate the interpretation of these unexpected results (Bryman & Bell 2007: 653). Fifthly, the use of mixed method design provides complementarity for the study in order to be able to elaborate, enhance, clarify, confirm, illustrate and link different parts of the research (Saunders et al. 2012: 169). Finally, using mixed methods also functions as triangulation via one method generating corroboration for the other (Saunders et al. 2012: 169). However, integrating the methods bares a risk of diluting each form of data (Saunders et al. 2012: 166). Hence, care is taken in this study to avoid over stretching the data to the opposite direction from its natural form.

Moreover, this study adopts a fully integrated mixed methods design, which is called the mixed method complex in the research onion (Figure 2.). This implies that qualitative and quantitative elements are integrated at every stage of the project rather than at just one stage (Saunders et al. 2012: 166). This integration manifests itself clearly at different stages of the study. For instance, an existing theoretical model with other theories is tested in the Finish context, yet also new unexpected areas are explored to create a new or to improve an existing theory. Furthermore, the duality is present also in the use of opposing philosophies; positivism and interpretivism, as well as in the twofold abductive approach. A usually quantitative survey method is used for qualitative data collection. Moreover, qualitative data analysis is complemented with quantification of qualitative data. Finally, also the findings are presented in a tabular and chart format as well as in a textual format. The research strategy is covered next.

### 3.4. Research Strategy

This subsection defines and justifies the research strategy in reference to the fourth layer of the research onion in Figure 6. Research strategy can be defined as the plan for the

manner in which the research question and objectives will be answered (Saunders et al. 2012: 173). There are many strategies for achieving the aim of the research including experiment, archival research, case study, ethnography, action research, grounded theory, survey and so forth (Saunders et al. 2012: 173). However, this study utilises a survey research strategy, which is discussed from here after.

According to Quinlan (2011: 483), survey denotes survey research methodology. She adds that surveys are especially suitable in facilitating research with large populations and geographically scattered samples. This definition provides the first justification for using a survey strategy in this study, because the study population is large and geographically scattered across the whole of Finland. The study population includes all HR professionals, general, middle and top managers, as well as employee representatives in Finland.

Bryman and Bell (2007: 56) state that in survey research the data are usually collected through questionnaires or structured interviews in order to collect a body of quantitative or quantifiable data. Accordingly, the data collection for this study is conducted via online questionnaires and the qualitative data is quantified in the data analysis stage as already mentioned in the previous section. In addition, the main piece of research influencing this study by Ulrich et al. (2013: 458) was conducted through a survey strategy. This supports the use of the same methods in this study.

However, surveys also have downsides. For instance, data analysis of the typically large samples is time consuming even with readily available analysis software (Saunders et al. 2012: 178). This was taken into consideration by reserving a month for data analysis in the research timetable. Furthermore, the researcher has no control over the way the survey is completed. This provides the comparability of standardised questions. Yet, it does not ensure that the standardised questions are answered properly or at all (Saunders et al. 2012: 178). This is taken into account by collecting a large sample, enough to ensure a sufficient number of decent responses. This chapter moves on to discussing the time horizon of this research project from here.

### 3.5. Time Horizon

This section contemplates the research time horizon presented on the fifth layer of the research onion (Figure 6.). This project opts for a snapshot in the time horizon through the adaptation of a cross-sectional study rather than choosing the more diary type longitudinal study perspective (Saunders et al. 2012: 190).

Cross-sectional design fits with the survey research strategy (Bryman & Bell 2007: 56), which was discussed in the previous subchapter. The cross-sectional approach enables a detailed investigation into the future HR roles and competencies at this particular time. A longitudinal study into the topic does not fit within the time constraints of this study. However, it is the natural area of future research once the topic is thoroughly examined this time around. This is because the HR barometer (HENRY 2013), which provides the data for this study, is conducted every three years, hence providing ample opportunity for a longitudinal study. Data collection is discussed in the following section.

### 3.6. Data Collection

This section will discuss the matters relating to data collection such as the data collection method, type of data and sampling. These components belong to the first part of the innermost layer of the research onion (Figure 6.).

Quinlan (2011: 479) defines data collection methods as “the means by which data is gathered for a research project, e.g. observation, interviews, focus groups, questionnaires”. In this study the data is gathered through an online questionnaire, which is appropriate for the survey strategy of the research, as argued earlier. In questionnaires, each person answers the predetermined standard questions, and in the case of online questionnaires without an interviewer being present (Saunders et al. 2012: 416). The online questionnaire for this abductive study has open ended questions to provide qualitative data for the inductive part of the research, which are consequently quantified for the deductive parts to complementary effects, as previously explained.

The chosen online questionnaires have their advantages and disadvantages like any other data collection methods. Some of the benefits of the online questionnaires include their cheapness and speed compared to potentially costly and slow interviews, absence of interviewer effects and variability and the convenience for respondents, because they can fill in the questionnaire in their own terms, wherever and whenever they have access to the internet (Bryman & Bell 2007: 241-242). However, online questionnaires have also weaknesses such as potentially low response rates, respondents not understanding the questions, not being able to probe the respondent or ask follow-up questions, not knowing who is really answering the questionnaire and so on (Bryman & Bell 2007: 242-243). Therefore, this research is attempting to overcome these problems by, for example, sending the questionnaire to as many potential participants as possible in order to counterbalance the low response rate. Questions are also designed as clearly as possible in the respondents' native language Finnish and they encourage respondents to elaborate on their answers in order to overcome the difficulty to understand the questions and not being able to probe the respondents for further explanations and examples. The online questionnaire questions can be seen in English in the Appendix 1.

Furthermore, a methodological decision needs to be made regarding the type of data used between primary and secondary data. Primary data is "data directly observed or gathered by the researcher engaged in a research project" (Quinlan 2011: 482). Secondary data instead concerns the data already collected for another purpose (Saunders et al. 2012: 304). Collecting primary data would provide an opportunity to collect data specifically tailored to answer the research question and objectives set for this study. However, secondary data from a HR barometer survey (HENRY 2013) was chosen for this study, because of access to this vast amount of data unattainable through primary methods due to a lack of resources. Accordingly, the benefits of using secondary data include saving time and money (Saunders et al. 2012: 317). However, there are also disadvantages to secondary data. For example, the data might not fit the purpose of the study (Saunders et al. 2012: 319). This challenge was mounted by carefully selecting an appropriate sample and by shaping the research question and objectives to fit with the available data. Secondly, secondary data does not provide any



control over data quality (Saunders et al. 2012: 320). Consequently, a reputable source of data was used in this study to overcome this barrier.

Another important aspect of data collection is sampling, because “choosing a sample is based on the premise that the choice will enable appropriate data to be collected, thereby allowing us to meet our research aim” (Symon & Cassell 2012: 38). This study utilises theoretical sampling, which means that constructing a sample is based on its relevance to the research question, and that the sample is theoretically meaningful (Mason 1996: 93-4). Theoretical sampling was chosen for this study, because theoretical relevance is considered more important in this instance than equal representation of the research population. Research population refers to the “universe of units from which a sample is to be selected” (Bryman & Bell 2007: 730). The population for the study includes all HR professionals, top and general managers, and employee representatives in Finland. The original sample in the HR Barometer (HENRY 2013) is constructed of 2579 respondents.

In order to choose an appropriate sample for this study, NVivo qualitative data software was utilised to identify a respondent group of 92. This was done by setting Nvivo to harvest all the answers referring to either HR roles or competencies regarding the first question of the online questionnaire: *What kind of developmental challenges are in HRM until 2018?* (Appendix 1.). This produced the theoretically important 92 answer sample. Furthermore, Nvivo was also used to divide the sample according to the contextual factors chosen for the research objectives including the respondent role, organisational type and the level of internationalisation. This division enables the investigation into the key stakeholder perceptions on the future HR roles and competencies, which comprises the essence of the research question. Now this chapter proceeds to cover data analysis in the following section.

### 3.7. Data Analysis

This section will focus on the elements of data analysis employed in this study, which is the final area of the research onion (Figure 6.) that remains to be discussed.

Because of the interactive and interrelated nature of qualitative data collection and analysis utilised in this study, it is important to simultaneously collect, analyse and interpret the data (Saunders et al. 2012: 544). This is taken into consideration throughout the research process by simultaneously translating the answers into English and writing down emerging themes, allocating sections of the answers into categories, quantifying the qualitative data and writing conclusions, and so on.

Furthermore, there are varying ways to analyse the qualitative data produced from the open ended questions of the online questionnaire. Different analytical procedures for qualitative data analysis include, for example, grounded theory method, template analysis, discourse analysis, content analysis and also computer assisted analysis. In fact, computer assisted qualitative data analysis software (CAQDAS) called NVivo is used in this study to identify the appropriate sample for this study as previously mentioned. This is a simple and safe way to manage the large data set (Quinlan 2011: 435). On the contrary, analysing large amounts of data by hand can easily lead to mistakes (Quinlan 2011: 435), hence the use of NVivo to minimise errors. As already mentioned, NVivo was set to pick all the answers relating to HR roles or competencies from the HR Barometer data set (HENRY 2013). With the aid of Nvivo, the sample was further divided in to groups according to the respondent roles, organisational types and the level of internationalisation, so as to make the following manual coding easier.

Content analysis is the manual data analysis method adopted in this study. In content analysis, a set of categories is established and then the number of references to each category is counted (Silverman 2006: 159). In this study, each of the 92 answers selected through Nvivo were coded based on the categorisation provided by Ulrich et al. (2013: 467). Firstly, the 92 answers were manually divided into 285 units of sentences or clauses that were each assigned to a category from the model, such as initiating change or developing talent. However, also emergent themes were recognised outside of the coding frame and new categories created, if necessary, such as employee well-being. Each category also has its own name and number to make the unit allocation easier.

Moreover, content analysis is an approach to the analysis of documents and texts, which attempts to quantify content in a systematic and replicable way (Bryman & Bell 2007: 302). Accordingly, this research project analyses text from a HR Barometer (HENRY 2013). Quantification of this qualitative data was the next step to be performed after coding the data into categories. This was done manually by counting the number of reference to each of the coding framework categories and the emerging categories. These numbers were then turned into percentages in respect of the overall sample and the contextual factor groups. This quantification was done to be able to present the results through tables and charts for visual effects (Saunders et al. 2012: 563) in the results and discussion chapter.

Qualitative part of the content analysis was also performed manually in order to provide attention to detail beyond the functions of CAQDAS. Qualitative analysis was conducted simultaneously with coding and quantifying data. The visual presentation of the quantified data in combination with thorough familiarisation with the raw data revealed the key concepts to be focussed on in the qualitative data analysis. Notes and conclusion were written along the way relating to the emerging key concepts. This close reading and examination was performed in order to become aware of the nuances of the data (Quinlan 2011: 424). In the final step of the qualitative data analysis the heuristic framework (Figure 5.) created at the end of the literature chapter was used in combination with other relevant literature to analyse and explain the research results. These qualitative findings are presented in a textual format in the results and discussion chapter, where discussion flows between key respondent quotations and relevant literature from the literature review or elsewhere.

There are advantages and disadvantages for every data analysis method including content analysis. The benefits of content analysis are its transparency and unobtrusiveness (Bryman & Bell 2007: 318-319). Contrarily, the potential problems of content analysis include, for instance, the quality of the documents and the difficulty to ascertain the answer to 'why' questions (Bryman & Bell 2007: 321). The document quality problem is eliminated by utilising high quality secondary data from a reputable

source, whereas ‘why’ questions are not explored in this study. The following section explores the ethical factors influencing this research.

### 3.8. Research Ethics

This section will examine the ethical considerations concerning this study. This includes the reliability and validity of the study.

Research ethics can be defined as “the standards of the researcher’s behaviour in relation to the rights of those who become the subject of a research project, or who are affected by it” (Saunders et al. 2012: 680). In other words, ethics are concerned with the right thing to do (Quinlan 2011: 69). Accordingly, considerations are made to avoid harming anyone in due process. For example, because the online questionnaire is self-completed and voluntary, are respondents able to withdraw from answering it before or during the process, if they feel that it has any kind of negative effect on them. Furthermore, the process is anonymous in order to protect the participants.

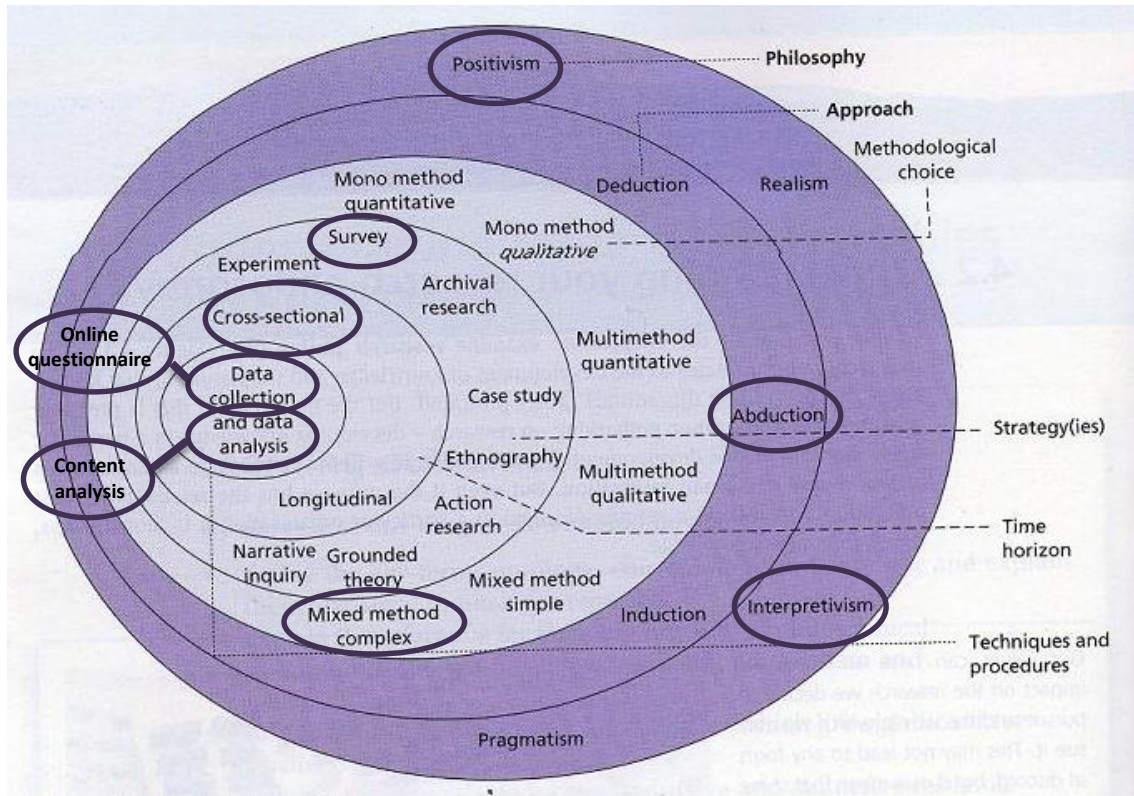
Reliability in research refers “to the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions” (Hammersley 1992: 67). In other words, reliability is concerned with replicability (Silverman 2006: 282) in terms of how independent the findings are from the accidental circumstance of their production (Kirk & Miller 1986: 20). In order to improve reliability, computer software Nvivo was used to analyse the initially large amount of data in order to avoid human error. In addition, only one person was used in manual data analysis to avoid variance between different analysts. More importantly, the content analysis categories were carefully defined to enhance consistency, and therefore ensure replicability of the results.

Validity, on the other hand, describes “the extent to which an account accurately represents the social phenomena to which it refers” (Hammersley 1990: 57). Silverman (2006: 290-291) suggests two forms of validation particularly suitable for this type of largely qualitative research. First one is triangulation through comparison of different

types of data or methods to discover whether they corroborate each other (Silverman 2006: 290). Second one is respondent validation by taking the findings back to the respondents verify (Silverman 2006: 291). The latter of the two forms of validation is not utilised, because the use of anonymous secondary data prohibits the identification of individual participants. However, the previous triangulation is used extensively through the use of qualitative and quantified data. Moreover, answers from three different respondent groups (HR professionals, managers and employee representatives) provide further triangulation to the topic. In addition, to the raw data from the HR Barometer (HENRY 2013), secondary data from books and practitioner and academic articles is also used to triangulate the findings. Finally, the following subsection provides a summary of the research design examined in this chapter.

### 3.9. Research Design Summary

This section summarises the research design established in this chapter through a methodological framework. Accordingly, the research onion originally presented in Figure 6 is utilised to illustrate the chosen research design for this study (Figure 7.). In the following Figure 7, the methodology defined in the previous sections of this chapter is demonstrated by circling the chosen component on each layer of the onion to create a methodological framework. In addition, the online questionnaire method was added and connected to data collection and content analysis to data analysis. In addition to the framework, also ethical considerations regarding validity and reliability were made in this chapter.



**Figure 7.** Methodological Framework.

(Adapted from Saunders et al. 2012: 128)

Subsequently to the above methodological framework, the research project proceeds to present the results and discuss them in the following chapter.

## 4. RESULTS AND DISCUSSION

This chapter will present the tabulated results of the data analysis in order to highlight the key findings of this study. Consequently, the results are examined in relation to the literature reviewed in the second chapter. The discussion flows from the main research question through each of the research objectives set to reach the aim of this research project, which is to investigate the future HR roles and competencies in Finland.

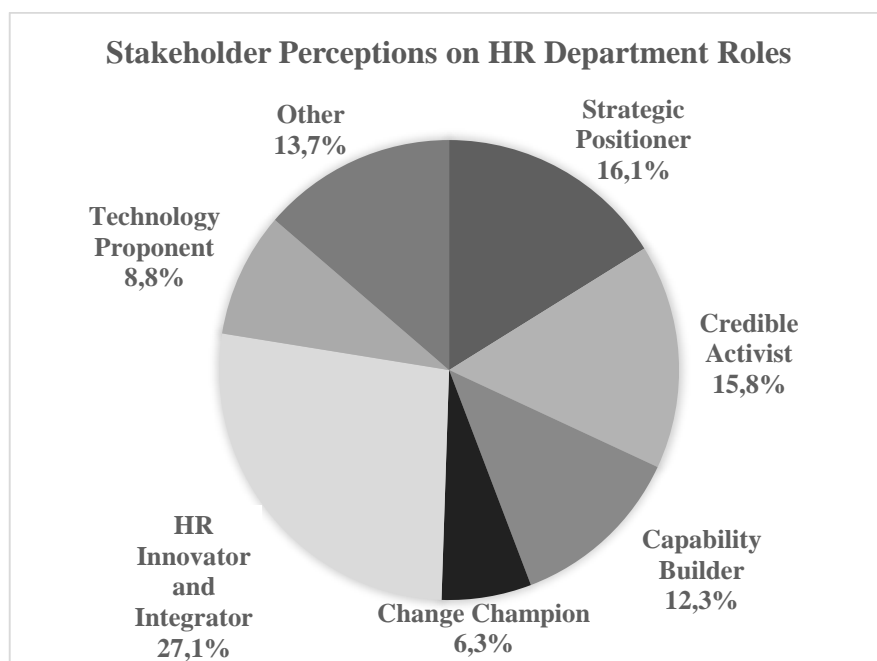
More specifically, in order to achieve the aim of this study, 285 pieces of text from 92 respondents from the Finnish nationwide HR Barometer (HENRY 2013) were analysed with a content analysis method. The survey participants were asked: *What kind of developmental challenges are in HRM until 2018?* (Appendix 1.). The answers relating to HR roles or competencies were selected for the sample of this study. The respondents included HR professionals, general and top managers, and employee representatives from diverse organisations from different internationalisation levels. The heuristic framework presented at the end of the literature review (Figure 5.) and the HR role and competency typology by Ulrich et al. (2013: 467) in particular were utilised in the data analysis process as already previously explained. The results and discussion of this analysis are presented in this chapter.

### 4.1. Key Stakeholder Perceptions on the Future HR Roles and Competencies in Finland

This section will provide the answers to the research question set in the introduction chapter of this study. Accordingly, the research question to be answered is: *What are the key stakeholder perceptions on the future roles of the HR department and competencies of the HR professionals in Finland?* To answer this question, the future HR functional roles are investigated first followed by the competencies of HR professionals relating to these roles. At the end of this section, a model for the future HR roles and competencies will be presented based on the findings.

#### 4.1.1. Key Stakeholder Perceptions on the Future HR Department Roles

The results of the key stakeholder perceptions regarding the future HR department roles are presented in the following Figure 8. The pie chart illustrates the percentages of responses regarding each of the HR functional roles from the typology by Ulrich et al. (2013: 464) as well as a category for references to other HR roles, which fall outside of the typology. It can be seen from the below chart how important the key stakeholders deem each of the identified HR functional roles for the future challenges of HRM.



**Figure 8.** HR Department Role Results.

Firstly, the above Figure 8 demonstrates that the HR innovator and integrator is clearly the most mentioned HR functional role. It was referred to in 27,1% of all the pieces of text analysed, which is over 10% more than the strategic positioner in the second place. Therefore, developing the HR innovator and integrator role is perceived to be the most critical for the future challenges of HRM according to the key stakeholders. This reflects the trend in especially IHRM towards integration (De Cieri et al. 2007: 281).

For example, the following comment highlights the importance of integrating HR practices in order to solve future business problems. It shows that organisations



recognise how HR integration can facilitate the effective utilisation of human capital, and related talent management, on a global level to achieve maximum productivity and as a flexible sources of future competitive advantage (Wang et al. 2012: 1129).

“Integrated HR system, which we can be used to direct all HR processes centrally. Today many processes require systems: salary and personal details, recruitment, performance management, succession planning, career development, knowledge management etc. Some of the systems can manage multiple processes, but not all of them. Special focus is on being able to recognise resources around the world and through it being able to utilise everyone’s abilities in the best possible way.”

Moreover, the survey respondents emphasise the HR innovator and integrator roles utility in responding to the challenges of the increasingly volatile global business environment (Briscoe et al. 2012: 412), as well as balancing the opposing global and local demands (Evans et al. 2011: 133), as illustrated by the below statement.

“Because of the internationality of our company, the challenge of the coming years is to integrate the HR systems of different countries simultaneously taking into consideration national and geographical differences. This is also essentially related to the standardisation of the different management styles and cultural management styles, and moving from largely geographical and cultural practices to company practices. Also the present situation of the global economy and the local differences caused by it create challenges; some countries do well; others worse, therefore HR needs and emphases vary.”

However, also innovation is an essential part of the HR innovator and integrator role, because it complements the integration element. This can be detected from the concerns over whether HR departments are innovative enough to create competitive and effective HR systems due to their conservative attitude towards adopting new work methods themselves. These concerns are apparent in the following stakeholder statement.

“How can HR support the organisation to achieve their strategic goals? Is HR innovative enough in their new work models? HR and innovative utilisation of technology? The challenge is HR actors’ traditionally conservative attitude towards new work methods. Just merely process

thinking has been alien, and systems especially on the HRD side have been approached with scepticism. It is difficult for HR to support new work methods, if the HR organisation does not first adopt them itself.”

Furthermore, Ulrich et al. (2013: 466) revealed in their research that the HR innovator and integrator has the largest impact on business performance out of the roles in their typology. This supports the findings of this study and confirms that HR departments need to put the greatest emphasis on becoming HR innovators and integrators in order to significantly add value to the organisation and to facilitate its success.

The second highest result goes to the strategic positioner with 16,1% of the answers (Figure 8.). This score supports the prevailing SHRM (Lengnick-Hall 2009: 65) and business partnering (Caldwell 2008: 275) trends. However, considering the supreme attention that the strategic direction of HRM currently receives, it is slightly surprising that the key stakeholders did not rate the strategic positioner as the top HR functional role for the future. Nevertheless, as seen below, the messages from the HR Barometer (HRNRY 2013) is that HR departments need to play a strategic role in the future in many ways. This includes for example creating HR systems that can function as strategic tools for the management, being actively involved in strategic management and other board room activities, and stepping away from the support function role to be able to strategically have an effect on the company bottom line.

“HR systems need to be effective and offer correct and quality information to the HR managers and company top management. With these means we can make better decisions in the future. HR systems need to be modernised and not only be payroll systems, but instead real strategic tools for the management.”

“HR is not just support and help, but actively involved in managing according to the strategy, developing, creating and making business successes.”

“Us, HR people need to get even further away from ‘support function’ thinking. The role of HR is strategic as well as operational, and with good HR we can have an effect on the company bottom line.”

Moreover, a part of the strategic positioner role is mastering different aspects of the business to be able to function as a business partner for managers from other functions as highlighted in the following comments.

“HR functioning as a business partner. Eliminating unnecessary bureaucracy and management.”

“Functioning in partnership with the top management requires HR to increase their business and industry specific knowledge.”

However, there are also real concerns that HR departments are distancing themselves from the employees, because of pursuing the strategic positioner role as explained below.

“[HR] Director is too high up / far away from this concrete HR work, payroll and in practical situation from interpretation and implementation of contracts. They just go to their meetings and participate in planning and mapping tasks with members of even higher circles. Ordinary employee does not get any support.”

The above statement supports the concerns raised by Francis and Keegan (2006: 231) over the dominant strategic and business partner framing. They advocate for human and economic concerns to be addressed in a more balanced HRM agenda as stated before.

The second position in the results clearly indicates the importance of the strategic positioner role of the HR department in the future in Finland. However, HR departments need to pay attention to not get carried away by this role and forget the employee perspective. In addition, Ulrich et al. (2013: 465) found this role to have the second lowest perceived impact on business results, which does not support large investments in developing this area of HR from the business performance perspective.

The third role in the results, close behind the strategic positioner, is the credible activist with 15,8% (Figure 8.). Credible activist is the role requiring individual level inside out perspective in HRM contrarily to the context level outside in perspective of the strategic positioner. Hence, the close high scores of these opposing roles reflect the duality

inherent in HRM (Francis & Keegan 2006: 231), and the need for a more balanced approach without ignoring either end of the HRM scale (Hailey et al. 2005: 49).

To firstly increase its credibility as a credible activist and to contribute towards the organisational performance, the HR function needs to prove its worth by measuring its performance and by being self-critical and developing the profession as described in the following answers.

“HRM will become the organisation’s critical success factor. The results of the HRM need to be assessed like for example the sales results. Even though the effectiveness takes sometimes little longer, it is possible to demonstrate the benefits of all personnel work like any other type of work. HR needs to take their place in the organisation’s leadership and development and act as a part of the business not outside of it.”

“The biggest challenge in HR work is to keep up and being able to professionally support the market that is changing with increasing speed. Firms will change in faster cycles in the future and HR itself needs to be adjustable and competencies in place.”

Once the credibility is gained the key stakeholders perceive that the HR function can impact the future organisations in a positive way by relating and influencing employees on a personal level as a credible activist as demonstrated below.

“...After all, HR professionals’ most important task should be to listen and live with people, because in that role HR is completely in dispensable channel in organizational knowledge transfer...”

However, the survey respondents recognise that the credible activist role is threatened by the current HR service delivery trends (Meijerink et al. 2013: 83), which usually create distance between the HR department and individual employees as seen below.

“The recent trend has been to distance HR practices from the grass root level. A HR secretary or an employee representative from whom you could get personal help is no longer on the same floor, or even in the same building. Information systems are used for collecting data from employees

and this largely entails self-service. Personal service with the current electronic systems has not been realised.”

The above comment in combination with the credible activist’s high score shows that HR departments need to make sure that this role does not get trampled in the SHRM rush, because also the employee perspective needs to be protected alongside business interests in HR work. However, Ulrich et al. (2013: 465-466) revealed that the credible activist has the smallest impact on business performance. Therefore, this role needs to be justified more from the humane rather business perspective.

The fourth role category (13,7%) in the results (Figure 8.) is for all the other mentioned HR roles that the key stakeholders perceive important for the HR function to develop regarding the future challenges of HRM in Finland. These include for example activities relating to the developments in HR service delivery (Meijerink et al. 2013: 83) mentioned in the following stakeholder statements.

“...In addition to this HR devolution down the line.”

“...Minor tinkering will be outsourced or technologized...”

“...Information systems are used for collecting data from employees and this largely entails self-service...”

In addition to HR service delivery, or perhaps to supplement it, the survey data indicates that the HR function has a role to play also as the protector of the long-term view of the organisation. This involves looking after the employee well-being, which is the weakness of the above largely technology driven HR service channels, as well as the sustainability of the business rather than short-term gains. Paauwe (2007: 89) believes that the HR function is in a unique position to do this, because of its insight that other functions lack. These views are presented in the following stakeholder comments.

“Work well-being will be an important role. If they want to elongate work careers and on the other hand to maintain work fitness of young people, the well-being of the workforce needs to be supported in every possible way.”

“HR could take responsibility for sustainable business. This is a growing business interest.”

Contrarily and to provide balance to the current SHRM trend the key stakeholders are also demanding for the more traditional HR department roles to be maintained including perhaps not so much the largely technologized administrative HR role, but certainly the supportive and operational HR roles as illustrated below.

“...HR needs to be able to support and guide the top management...”

“Company strategy is updated yearly. HR strategy needs to be updated at the same pace. In a small unit whole HR organisation needs to be able to think from a strategic as well as an operative perspective – head in the clouds and hands in the mud.”

These emergent HR activities outside of the chosen HR role typology will be considered further later in this chapter in order to best integrate them into the new model for the future HR roles and competencies to be formulated based on the findings of this study.

The fifth role category in Figure 8, which received mediocre results is the capability builder with a 12,3% score. This mediocre score for the capability builder can be partly explained by the ambiguous and uncertain nature of this role, which also is the misfortune of the HR roles collectively (Welch & Welch 2012: 599). Capability builder for instance takes care of the knowledge management in organisations (Wang et al. 2012: 1129), and it can be difficult to grasp by outsiders what knowledge management exactly involves. Therefore, it is not so obvious thing to mention as a future role for the HR department. Nonetheless, the capability builder was still considered significant for the future challenges of HRM. For example, capability builder can connect different individual abilities around and also from outside the organisation to create effective organisational capabilities as demonstrated below.

“HR professionals more and more connect things together. For example, internally the strengths, needs, weaknesses etc. of different units, professions and business areas can be an answer to the needs of another

unit. In this belong for example innovations and procedures as well as other efficient practices, which HR professionals can use in different situations, yet towards the same goal. This certainly does not concern only internal mobility, but HR people need to be aware of what is going on in the outside world -> translate these trends into the organisations own 'language'..."

Capability builder also aligns strategy, culture, practices and behaviour in order to increase productivity and commitment, but also to create a meaningful place to work and a sense of togetherness, which all aid collaboration and knowledge sharing. The increasing need to do these in the future derives from the changes happening in the nature of work and work environment as explained in the following comments.

"Work has become challenging for many professions due to the rapid pace of transformation. Society diverges and that can be seen also at the work places. It is more and more difficult to reach the sense of togetherness in the work communities."

"The employment relationships are shortening and people change jobs more often out of their own will. Their own knowledge accumulates, but the level of commitment towards the employer is not the same nowadays. The significance of good induction grows – not just from HR, but also from the management. How to get the new employees inside the operational environment and culture of the business as quickly as possible so that also their productivity is activated as quickly as possible..."

Many of the key stakeholders involved in the survey were also worried about the challenges brought by the next generation and the increasingly diverse workforce, which is evident in the next quotations. Hence, diversity management is more and more important also in Finland, and belongs to the capability builder of the HR function.

"I work in the service industry as a HR manager and our employee structure is mainly part-time youth labour. You can already see now large challenges from young people's difficulties to commit and to devote themselves to the employer. There are challenges in managing their work duties and it is scary to think what task current line managers have so that the current youth would be trained into future leaders. Home upbringing has changed during the last decade quite wildly and 'slowing down' is

visible also in teenagers – you should get money easily and comfortable without work and struggle.”

“...The backgrounds of new employees can also be more diverse, because we talk about a global labour market. Diversity management is highlighted in human resource management.”

Similarly, to this study Ulrich et al. (2013: 465) received middle of the road scores for capability builder's performance and perceived effectiveness. However, they also revealed that capability builder has the shared second highest impact on business performance. Equally, the stakeholder views discussed here show the importance of the capability builder in uniting individuals into an effective collective. Therefore, this is an obvious area for HR departments to invest in.

The sixth and the second lowest score of this study, 8,8%, belongs to the technology proponent (Figure 8.) similarly to the second lowest score for performance and effectiveness in research by Ulrich et al (2013: 465). Yet, the need to act as a technology proponent was still clearly recognised as an essential role for the future HR departments, because of technology's transformational effect on work practices as described by the following respondent. This supports the prevailing trend towards e-HRM (Parry & Tyson 2011: 335).

“Technology changes the way work is conducted, it influences the management and operations of the organisation. How does HR respond to these challenges?”

“IT systems can be used for managing many routine tasks in which HR nowadays seems to drown and which are still regarded as the HR's main point.”

However, the survey participants also expressed concerns over the challenges related to technology and its usage in HR work as seen below.

“To make information technology significantly more user friendly from the HR as well as employee perspective. HR key figures and statistics as well as utilising them for different purposes...”



“Developing HR systems is expensive and the systems are often rigid. New cloud services are attractive. How to get sufficient, reasonably priced HR systems to support strategic HR processes without wasting too much of the HR’s or line managers’ time in using and developing the system.”

Despite the relatively low score of the technology proponent and the challenges related to performing this role, it is evident from the comments that technology is more and more central to HR work. In addition, Ulrich et al. (2013: 465) discovered in their study that the technology proponent has a high impact on business performance. Hence, this offers an opportunity for organisations to exploit, because technology has not been utilised to its full potential yet in HRM.

The seventh and the lowest yet still noteworthy result of 6,3% is for the change champion role (Figure 8.). Despite the apparent importance of change management in the increasingly turbulent business environment (Long & Ismail 2012: 24), perhaps some of the key stakeholders involved in this research project take HR’s change management duties for granted, because of their persistent existence. This might partly explain why the change champion was not perceived so highly in the future HR functional roles discussion. However, HR’s role in managing change was certainly not entirely forgotten as illustrated in the following.

“Work has become challenging for many professions due to rapid pace of transformation. Society diverges and that can be seen also at the work places. It is more and more difficult to reach the sense of togetherness in the work communities. Change management skills are required in the HR work.”

“Changes in different industries are accelerating and the organisation is under a constant change pressure. We cannot influence all changes, but we need to be able to react to them.”

Some respondents recognise that the change champion is not a new role for the HR department, but can still be improved and make a difference in the future as stated next.

“For a long time, change management has been a theme that can always be improved. Primarily I am thinking about the small practical things of change management that can be implemented into practical work, maintenance and how increasingly technology based HR processes can be kept running during the changes. At the moment more and more changes keep HR busy and everything is done manually, individually and almost by reinventing the wheel.”

This discussion has shown that change management cannot be forgotten by HR departments. It needs to be maintained and constantly improved in order to reflect the changing business environment. However, it is not perceived by the key stakeholders as the most critical role for responding to the future challenges of HRM. This was confirmed also in the work by Ulrich et al. (2013: 468). Their results placed the change champion in the mid-range for all the studied factors including HR performance, effectiveness and impact on business performance.

Overall, this study has revealed that the future HR department roles in the Finnish context are very similar to the roles identified by Ulrich et al. (2013: 464) in the global context. However, there are slight differences in the emphasis of these roles and references to additional emergent roles were also detected. Consequently, the results and discussion regarding the competencies that HR professionals need for performing these roles are conducted in the following section.

#### 4.1.2. Key Stakeholder Perceptions on the Future Competencies of HR Professionals

This study investigated also the key stakeholder perceptions on the future competencies of HR professionals the results of which are illustrated in the following Table 6. The table shows the units and percentages of the 285 pieces of text assigned to the competencies from the typology by Ulrich et al. (2013: 467) as well as any references to the overarching competency category (such as change champion), if more specific competency allocation was not feasible in order to provide a category for each unit of text. In addition to the chosen theoretical model this study explored also emerging themes, which gave rise to three competency categories of HR service delivery, protecting the long-term view, and supportive and operational HRM (Table 6.).

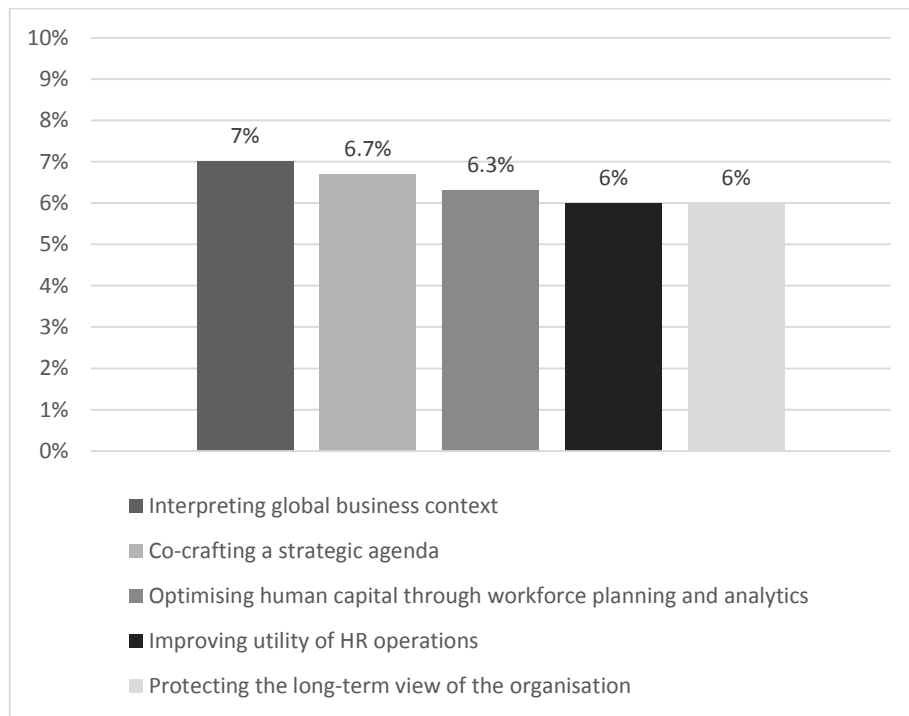
**Table 6.** HR Professional Competency Results.

Competency categories	Units:	Percentages:
<b>1. Strategic Positioner</b>	-	-
1.1. Interpreting global business context	20	7% (top five)
1.2. Decoding customer expectations	7	2,5% (lowest five)
1.3. Co-crafting a strategic agenda	19	6,7% (top five)
Subtotal:	(46)	(16,1%)
<b>2. Credible Activist</b>	-	-
2.1. Earning trust through results	9	3,2%
2.2. Influencing and relating to others	13	4,6%
2.3. Improving through self-awareness	8	2,8% (lowest five)
2.4. Shaping the HR profession	15	5,3%
Subtotal:	(45)	(15,8%)
<b>3. Capability Builder</b>	-	-
3.1. Capitalising organisational capability	10	3,5%
3.2. Aligning strategy, culture, practices, and behaviour	14	4,9%
3.3. Creating a meaningful work environment	11	3,9%
Subtotal:	(35)	(12,3%)
<b>4. Change Champion</b>	2	0,7%
4.1. Initiating change	9	3,2%
4.2. Sustaining change	7	2,5% (lowest five)
Subtotal:	(18)	(6,3%)
<b>5. HR Innovator and Integrator</b>	4	1,4%
5.1. Optimising human capital through workforce planning and analytics	18	6,3% (top five)
5.2. Developing talent	10	3,5%
5.3. Shaping organisation and communication practices	15	5,3%
5.4. Driving performance	14	4,9%
5.5. Building leadership brand	16	5,6%
Subtotal:	(77)	(27,1%)
<b>6. Technology Proponent</b>	2	0,7%
6.1. Improving utility of HR operations	17	6% (top five)
6.2. Connecting people through technology	6	2,1% (lowest five)
6.3. Leveraging social media tools	0	0% (lowest five)
Subtotal:	(25)	(8,8%)
<b>7. Other Themes</b>	-	-
7.1. HR service delivery	12	4,2%
7.2. Protecting the long-term view	17	6% (top five)
7.3. Supportive and operational HRM	10	3,5%
Subtotal:	(39)	(13,7%)
<b>Grand total:</b>	<b>285</b>	<b>100%</b>

So as to scrutinise the above competency results more closely, distinction was made between the top and bottom five of the listed competencies as can be detected from the above table. The references to the overarching competency categories were not however included in this exercise to maintain the focus on the more specific competencies.

Firstly, the following Figure 9 was created to presents the top five future competencies for HR professionals according to the stakeholder perceptions presented above. The differences at the top end of the competency calculations are small ranging from 20 to

17 units of text, which result in 7% to 6% scores out of the total 100% (Figure 9.). Moreover, the highest rated competencies are spread across four different HR role categories ranging from the strategic positioner, and HR innovator and integrator to the technology proponent, and the category for other emergent roles (Table 6.). These findings reflect the duality of HR work and the importance of investing in many different aspects of HRM in order to cope with the challenges of the future.



**Figure 9.** Top Five HR Professional Competencies.

The top two competencies of interpreting global business context and co-crafting a strategic agenda (Figure 9.) are both related to the strategic positioner role. Not surprisingly interpreting global business context gained the highest attention, because of the dominant strategic HRM agenda and the contradicting pressures of the business environment as illustrated in the following stakeholder statements.

“...Firms and HRM are under opposing pressures, when the business environment demands continuous flexibility and adaptation, but the society sets new statutes regarding employees, which limit the quest for flexibility.”

“HR in larger organisations needs to be able to start to sense dynamics with which to assess the following quarters resignations, recruitment needs, management position openings, union and employee representative needs and so on. You need to be able to interpret these from future business plans. HR analyst type of work is needed more in large organisations.”

The second highest competency of co-crafting a strategic agenda (Figure 9.) reflects, in addition to the SHRM trend, the HR's attempts to become more strategically significant global player in future organisations (Kates 2006: 22). This ambition is apparent in the following quotations.

“I believe that HR has been a strategic partner for the top management...”

“Human resource management experts need to be able to be more strongly than before prominent figures in the company's strategic planning. Time for one-eyed and solely on figures based planning and decision making is over – HR specialist sees the big picture!”

“HR people need to be capable of more strategic and analytical thinking; traditional people person profile is changing. Need to be able to respond to the increasingly tightening competition in recruitment, industry and business as well as in internationalisation too.”

However, there are concerns over whether HR professionals are capable or even willing to become more strategic, and whether HR's strategic efforts are producing the desired improved organisational performance. These worries were previously mentioned in the literature chapter (Thompson 2011: 363) and are evident in the comments below.

“90% of the HR people's work time is spent on compulsory routines. Often they are also in the way of development, and they do not want to adopt new tools, which would ease their job. They remain easily in their comfort zone, because they do not have requires knowledge for strategic business partnership. HR functions as a gatekeeper and utilises those service providers, which they are used to, or follows the same trends as everyone else.”

“HR has played now ten years of ‘strategic business partner’ game, yet without demonstrating in many companies the real value for the business.

Those firms, in which HR has gained a genuine prominent role and prove each time that projects are cost-effective and generate desired results, are well ahead, and the rest are wondering what the benefit of HR is?”

The third highest competency score belongs to optimising human capital through workforce planning and analytics (Figure 9.), which further confirms the importance of human capital in organisations as the provider of future competitive advantage (Wang et al. 2012: 1154). Examples of the respondents' views on the challenges and importance of human capital optimisation are illustrated below.

“People need have for example three year plans for how their career development is handled. How they are trained and at what point. Budgets need to include money also for training and for learning new things. HR departments need to be given more power regarding the usability of the workforce. Direct line managers need to be excluded from decision making (nobody wants to give their good subordinate up). Mentoring system needs to be reintroduced.”

“Turnover rate increases workload in HR as well as in core processes: induction and support of new arrivals, planning and sharing the workload of leaving employees, transfer of tacit knowledge, continuous resource shortage and recruitment need.”

The fourth highest competency in Figure 9 is improving utility of HR operations. This demonstrates that the key stakeholders want to get more out of new technology and HR operations. The following survey answers show that the respondents understand the opportunities as well as the challenges of technology. This highlights the need to invest in e-HRM now in order to reap the benefits of a well implemented system in the future.

“At their best, HR systems are not a challenge but a requirement for good HR work. The challenge is a) their poor implementation project, b) not being competent in using them and c) perhaps not having them at all (or they do not work). Nevertheless, I can see that through a good HR system, work can be automated so far that we can get to the ‘real’ HR work, in other words value adding HR for the business.”

“Complicated HR systems are history, now user friendliness in HR data maintenance and in HR practices for managers is wanted. The challenge is

to figure out how to implement these sophisticated cloud services within reasonable costs.”

Finally, the fifth highest score belongs to the emerging competency of protecting the long-term view. As previously discussed, the current hard measurements and strategic emphasis in HRM have prompted a reverse reaction calling for HR to protect the long-term perspective in organisations (Evans et al. 2011: 571). These results support the more balanced approach to HRM. Protecting the long-term perspective includes for example maintaining a workforce that is well and able to work as seen below.

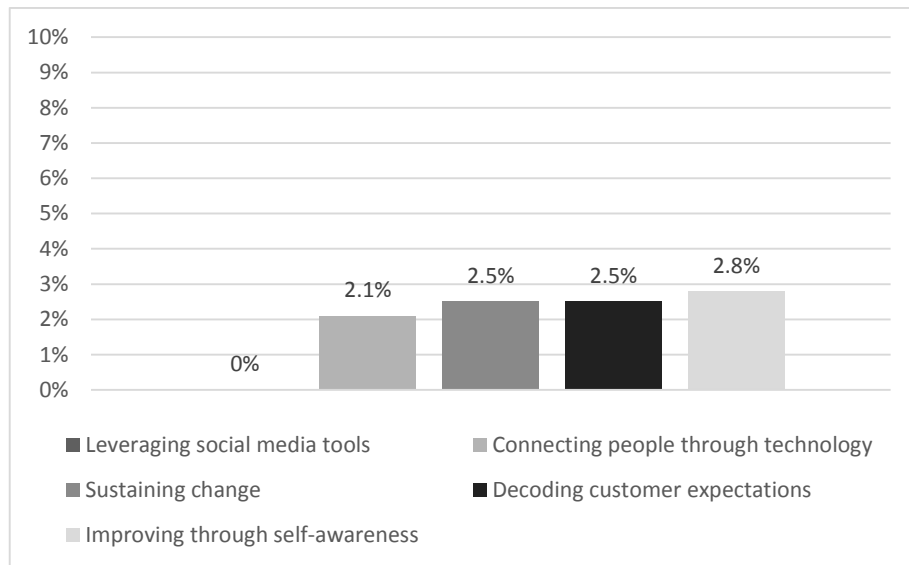
“Significantly more care towards employees and acknowledging them is required...”

“...Management of employees’ ability to work is the HR area that will grow the strongest in the future. Business expects that HR procedures maintain the workforce’s ability to work and produce results. The rest of the development follows from there on.”

In addition, competencies in protecting the long-term view of the organisation involves HR professionals to advocate longevity in decision making against dominant short-term business culture. This is expressed for example in the following statement.

“HR could take responsibility for sustainable business. This is a growing business interest.”

Contrarily to the five most mentioned competencies, the following Figure 10 illustrates the bottom five, least mentioned future competencies for HR professionals. Again these are spread across four different HR department roles including technology proponent, change champion, credible activist and strategic positioner (Table 6.). The scores are also very close to each other between 6 and 8 references per competency apart from leveraging social media tools, which did not receive any references to it. This means that the results for these bottom five competencies vary between 0% and 2,8% of the total as illustrated in the following Figure 10.



**Figure 10.** Bottom Five HR Professional Competencies.

Firstly, the most surprising finding of this whole study is the total lack of interest from the key stakeholders regarding development of HR competencies in leveraging social media tools (Figure 10.). In addition, connecting people through technology received the fourth lowest score (Figure 10.). These findings are contradictory with the high score in improving utility of HR operations (Figure 9.) and the prevailing e-HRM trend. As a result, it can be concluded that the key stakeholders in Finland recognise the need to develop HR competencies regarding technology, but they are not so aware of all the opportunities available to them through e-HRM. Yet, some respondents have noticed areas where technology is useful as demonstrated below.

“Employees are not in the same city or same country or continent, even though they work together...”

“HR work is becoming more and more cyclical and project oriented. This sets HR professionals a new challenge, which is related to the change in the way of working, taking larger project type responsibilities, ability to build broad and functional communication network, which reaches also beyond national borders.”

Sustaining change has the second lowest competency score (Figure 10.), which is surprising in the current continuously changing business environment (Doyle 2002: 465) as seen in the following comments.



“Changes in different industries are accelerating and the organisation is under a constant change pressure...”

“...In other words, the organisational structure lives and changes at an increasingly dense pace, when work force is directed at whatever it is required for at that moment. To manage this can become a large challenge from the HR worker’s point of view.”

However, it might be indeed this continuous change that causes disinterest in sustaining change. It might be preferable for HR professionals to focus on initiating change, because new change projects arrive in such a rapid sequence that sustaining the old changes is not necessary for long. However, HR professionals still need certain level of competence also in sustaining change otherwise change projects lack credibility and the effects of change problems go undetected as mentioned in the next statement.

...They [HR] need to see the organisational effects of the changes, nevertheless whether the changes are originate from the firm’s markets or internally...

The third lowest competency according to the results is improving through self-awareness (Figure 10.). This low score might be caused by HR typically being seen as a department focussing on other functions and their employees rather than on themselves. However, HR professionals need to also learn reflective practices in order to take their profession forward. Ulrich et al. (2013: 457) agree that HR professionals need to replace self-doubts with informed insights in order to succeed in the future. Lack of self-awareness may lead to for example valuable knowledge leaking out of the organisation as explained by the following survey respondent.

“Often only one person in HR is capable and knowledgeable in each of the areas. When this person suddenly goes away, or leaves the firm with short notice or something similar, there are immediate problems and the organisation is in the state of flux for a long time. You should not be so vulnerable, but on the other hand no one has time to learn about each other’s areas.”

Finally the fifth lowest HR competency is decoding customer expectations (Figure 10.), which is surprising and contradictory, because the other two competencies relating to strategic HRM are in the top five (Figure 9.). However, perhaps the reason for a lower score in this strategic area is in the nature of this competency. It is easier to see how HR professionals utilise their expertise in human capital in strategic planning and as business partners than in decoding customer expectations. In order to see the utility of HR professionals in this area, it is useful to think of the currently service dominant knowledge work (Khatri et al. 2010: 2904), and how HR can aid these knowledge workers to provide strategically better service to their key customers as explained next.

“In the retail industry multi-channel aspects offer online purchasing for consumers. How to get the customers to take your own offering. HRD, how to develop a right type of service culture, how to develop the organization physically and virtually to respond to the customer demands.”

In addition to the top and bottom five competencies that have just been discussed in detail, there is also a wide range of other competencies that were identified by the key stakeholders (Table 6.). HR professionals need to develop also these in order to be prepared for the future challenges faced by HRM. These additional competencies are presented in the previous Table 6, but received a medium score which is why they were not discussed in more detail in this study. The focus was placed on the top and bottom set instead. The following section synthesises these findings regarding the research question of this study in order to present them in a more concise manner, and to create an improved future HR role and competency model based on the Finnish context.

#### 4.1.3. Future HR Role and Competency Model

Overall, this analysis has shown that the Finnish functional HR roles and the competencies of HR professionals are very similar to the ones identified in the chosen typology (Ulrich et al. 2013: 467) based on a global sample. However, a few additions and deviations were detected, which are integrated into the following model in Table 7. The HR department roles are kept the same, however three of them have been expanded

by an added emergent competence for HR professionals to master. Credible activist needs to now also protect the long-term perspective, HR innovator and integrator should ensure smooth HR service delivery, and capability builder focuses on competencies in supportive and operational HRM as illustrated in bold in the table below.

**Table 7.** Future HR Role and Competency Model.

<b>Strategic Positioner</b> <ul style="list-style-type: none"> <li>• Interpreting global business context</li> <li>• Decoding customer expectations</li> <li>• Co-crafting a strategic agenda</li> </ul>	<b>Change Champion</b> <ul style="list-style-type: none"> <li>• Initiating change</li> <li>• Sustaining change</li> </ul>
<b>Credible Activist</b> <ul style="list-style-type: none"> <li>• Earning trust through results</li> <li>• Influencing and relating to others</li> <li>• Improving through self-awareness</li> <li>• Shaping the HR profession</li> <li>• <b>Protecting the long-term view of the organisation</b></li> </ul>	<b>HR Innovator and Integrator</b> <ul style="list-style-type: none"> <li>• Optimising human capital through workforce planning and analytics</li> <li>• Developing talent</li> <li>• Shaping organisation and communication practices</li> <li>• Driving performance</li> <li>• Building leadership brand</li> <li>• <b>HR service delivery</b></li> </ul>
<b>Capability Builder</b> <ul style="list-style-type: none"> <li>• Capitalising organisational capability</li> <li>• Aligning strategy, culture, practices and behaviour</li> <li>• Creating a meaningful work environment</li> <li>• <b>Supportive and operational HRM</b></li> </ul>	<b>Technology Proponent</b> <ul style="list-style-type: none"> <li>• Improving utility of HR operations</li> <li>• Connecting people through technology</li> <li>• Leveraging social media tools</li> </ul>

Even though the previous discussion regarding the future HR department roles involved activities outside of the existing HR functional roles, expanding the existing roles was established to be more suitable than creating new ones. This is because the new activities did not have enough references in order to justify the creation of new roles. Instead, these emerging activities merit their own competency categories under the existing HR roles (Table 7.), especially because one of them (protecting the long-term view) was in the top five of the competencies analysed, as discussed previously.

The first new future HR professional competency, protecting the long-term view of the organisation, is placed in the credible activist category in Table 7. This is because the credible activist has individual level influence and credibility, which will help in looking after the employee well-being and defending the sustainability of the business from the long-term perspective.

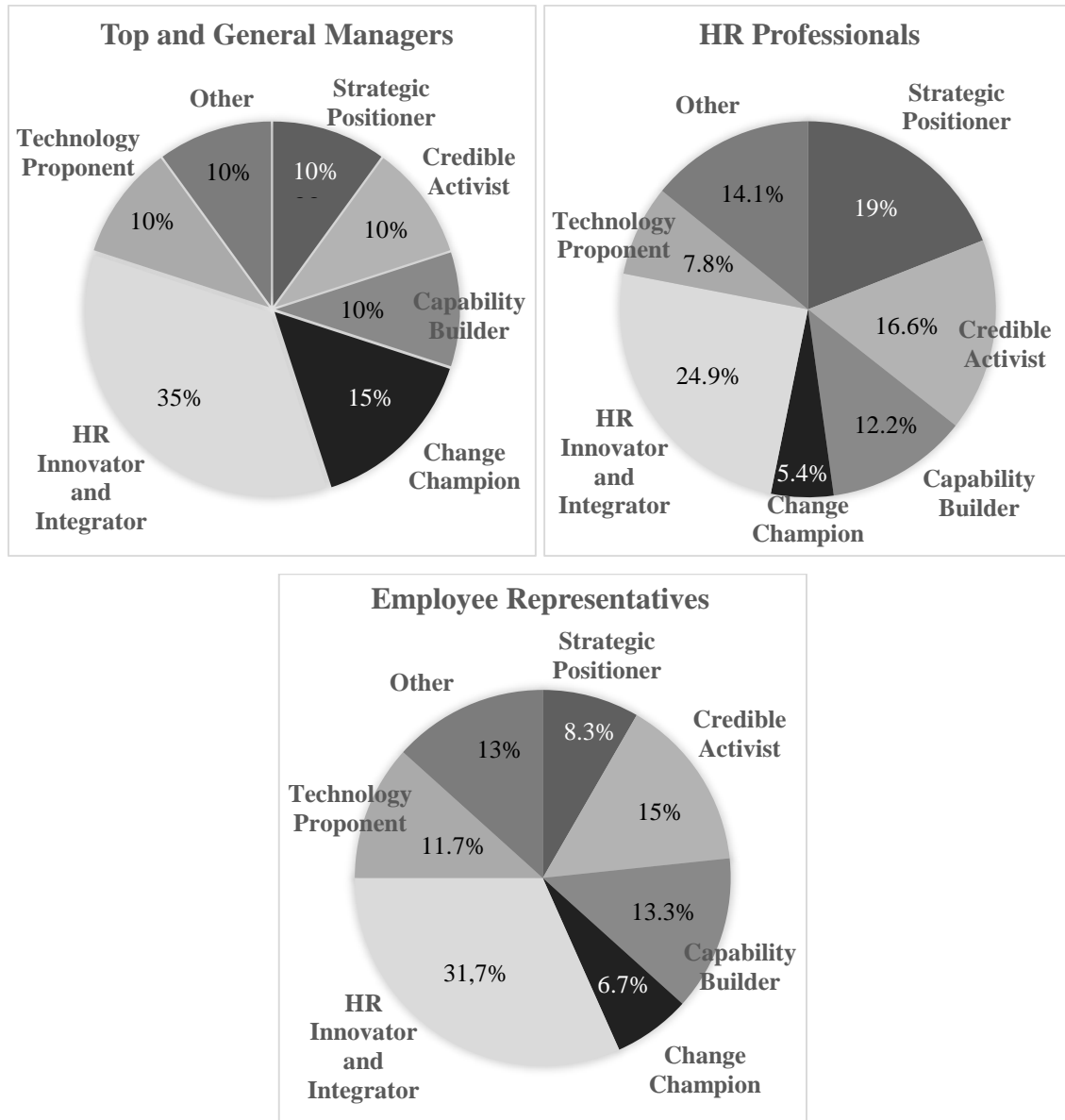
The second new future HR competence is HR service delivery under the HR innovator and integrator role (Table 7.). HR innovator and integrator is the most suitable for developing and delivering HR services that fit the organisation in question, because they have wide ranging organisational perspective and expertise in HR systems. However, they might need the technology proponent to consult them regarding the most appropriate technology to be used, because many of the new HR service channels are technology driven.

Finally, the third new future HR competence is actually not new at all. Instead, the key stakeholders participating in this study rallied for also more traditional HR activities to be brought back or kept along the more recent development. Therefore, supportive and operational HRM competency is added to the capability builder role in Table 7. Capability builder was chosen for these competencies, because operationalizing HRM and supportive HRM activities are beneficial in facilitating the development of organisation wide capabilities. The HR support competencies are imperative for example regarding the recent HR devolution phenomenon, so that HR professionals can provide the line managers with the support they need regarding their new HRM responsibilities. The following sections of this chapter will focus on the research objectives of this study in order to provide additional perspectives to the topic at hand.

#### 4.2. Different Respondent Role Perspectives on Future HR Roles and Competencies

This section will provide an additional individual level perspective to the findings discussed in the previous sections of this chapter in relation to the main research question. The aim of this section is: *To identify the differences in the respondent role perspectives on the future HR department roles and the HR professional competencies*, which is the first research objective formulated previously in the introduction chapter. This includes the comparison of the perceptions of the HR professionals, top and general managers and employee representatives. The future HR functional roles are discussed first followed by the competencies of the HR professionals.

The following Figure 11 shows the results of how different respondent groups perceive the future HR department roles. The below pie charts reveal similarities as well as some differences in the HR roles. The discussion will focus on the two main differences.



**Figure 11.** HR Department Role Results for Different Respondent Roles.

Firstly, the HR professionals are the ones promoting the strategic positioner role the most (19%), the top and general managers refer to it a lot less (10%), and employee representatives the least (8,3%) according to Figure 11. This means that the strategic push in HRM derives largely from HR's own desire to enter the board room (Kates

2006: 22) rather than from requests from the other management to do so. Moreover, employee representatives are likely to value the HR's strategic role less, because of their role as the defender of the employee perspective rather than the business perspective.

Secondly, the top and general managers value the change champion role the most out of the respondents of this study (Figure 11.). This reflects the general and top management having to always be prepared to introduce change, yet relying on HR to alleviate some of the negative side effects of these change projects (Long & Ismail 2012: 24).

In addition, the following Table 8 illustrates the results of how different respondent groups perceive the competencies that HR professionals require in the future. The competency with the highest score for each respondent group is presented in bold in the table. However, the comparison of lowest competency scores was not possible because of the limited amount of responses from top and general managers leaving too many competencies completely without a score.

Firstly, top and general managers put the most emphasis on developing the HR competencies in building leadership brand. This differs from the general competency results, where building leadership brand was rated in the middle. Yet, the importance of building a strong leadership brand is obvious from the top and general management perspective, because leading the organisation is the main job of these managers. The following comment from a top or general manager illustrated this perspective clearly.

“The challenge of HR work is good leadership and management. It has been for hundreds of years and will be.”

Secondly, HR professionals emphasise the development of HR competencies in co-crafting a strategic agenda instead (Table 8.). This is expected because of the previous high result in the strategic positioner role and demonstrated in the comment below.

“Us, HR people need to get even further away from ‘support function’ thinking. The role of HR is strategic as well as operational, and with good HR we can have an effect on the company bottom line.”

**Table 8.** Managers, HR professionals and Employee Representatives' Perceptions on Competencies of HR Professional.

	<b>1.Top and general managers</b>	<b>2. HR professionals</b>	<b>3. Employee representatives</b>	<b>Total</b>
<b>1. Strategic Positioner</b>	-	-	-	-
1.1. Interpreting global business context	2 / 10%	16 / 7,8%	2 / 3,3%	20 / 7%
1.2. Decoding customer expectations	-	6 / 2,9%	1 / 1,7%	7 / 2,5%
1.3. Co-crafting a strategic agenda	-	<b>17 / 8,3%</b>	2 / 3,3%	19 / 6,7%
Subtotal:	(2) / 10%	(39) / 19%	(5) / 8,3%	(46)/16,1%
<b>2. Credible Activist</b>	-	-	-	-
2.1. Earning trust through results	1 / %	8 / 3,9%	-	9 / 3,2%
2.2. Influencing and relating to others	1 / 5%	5 / 2,4%	<b>7 / 11,7%</b>	13 / 4,6%
2.3. Improving through self-awareness	-	7 / 3,4%	1 / 1,7%	8 / 2,8%
2.4. Shaping the HR profession	-	14 / 6,8%	1 / 1,7%	15 / 5,3%
Subtotal:	(2) / 10%	(34) / 16.6%	(9) / 15%	(45)/15,8%
<b>3. Capability Builder</b>	-	-	-	-
3.1. Capitalising organisational capability	1 / 5%	<b>7 / 3,4%</b>	2 / 3,3%	10 / 3,5
3.2 Aligning strategy, culture, practices, and behaviour	-	10 / 4,9%	4 / 6,7%	14 / 4,9%
3.3. Creating a meaningful work environment	1 / 5%	8 / 3,9%	2 / 3,3 %	11 / 3,9%
Subtotal:	(2) / 10%	(25) / 12,2%	(8) / 13,3%	(35)/12,3%
<b>4. Change Champion</b>	-	-	2 / 3,3%	2 / 0,7%
4.1. Initiating change	2 / 10%	7 / 3,4%	-	9 / 3,2%
4.2. Sustaining change	1 / 5%	4 / 2%	2 / 3,3%	7 / 2,5%
Subtotal:	(3) / 15%	(11) / 5,4%	(4) / 6,7%	(18) / 6,3%
<b>5. HR Innovator and Integrator</b>	2 / 10%	2 / 1%	-	4 / 1,4%
5.1. Optimising human capital through workforce planning and analytics	1 / 5%	13 / 6.3%	4 / 6,7%	18 / 6,3%
5.2. Developing talent	1 / 5%	7 / 3,4%	2 / 3,3%	10 / 3,5%
5.3. Shaping organisation and communication practices	-	9 / 4,4%	6 / 10%	15 / 5,3%
5.4. Driving performance	-	11 / 5,4%	3 / 5%	14 / 4,9%
5.5. Building leadership brand	<b>3 / 15%</b>	9 / 4,4%	4 / 6,7%	16 / 5,6%
Subtotal:	(7) / 35%	(51) / 24,9%	(19) / 31,7%	(77)/27,1%
<b>6. Technology Proponent</b>	1 / 5%	1 / 0,5%	-	2 / 0,7%
6.1. Improving utility of HR operations	1 / 5%	12 / 5,9%	4 / 6,7%	17 / 6%
6.2. Connecting people through technology	-	3 / 1,5%	3 / 5%	6 / 2,1%
6.3. Leveraging social media tools	-	-	-	0
Subtotal:	(2) / 10%	(16) / 7,8%	(7) / 11,7%	(25) / 8,8%
<b>7. Other Themes</b>	-	-	-	-
7.1. HR service delivery	-	9 / 4,4%	3 / 5%	12 / 4,2%
7.2. Protecting the long-term view	2 / 10%	11 / 5,4%	4 / 6,7%	17 / 6%
7.3. Supportive and operational HRM	-	9 / 4,4%	1 / 1,7%	10 / 3,5%
Subtotal:	(2) / 10%	(29) / 14,1%	(8) / 13%	(39)/13,7%
Grand total:	20 / 100%	205 / 100%	60 / 100%	285/ 100%
Categories from the total:	<b>20 / 7%</b>	<b>205 / 71,9%</b>	<b>60 / 21,1%</b>	<b>285/ 100%</b>

Thirdly, the above table reveals that employee representatives believe that HR professionals should invest the most in the competencies relating to influencing and

relating to others. This is expected, because this competency belongs to the credible activist, who looks after the individual employees in an organisation. Indeed, many of the employee representatives believe that the focus has shifted too much towards the business rather than employee needs as demonstrated below.

“...HR is too much just for the top management, their ‘puppet’.”

The following section compares results between different organisational types instead to provide different organisational level perspectives to the discussion.

#### 4.3. Influence of Different Organisational Types on Future HR Roles and Competencies

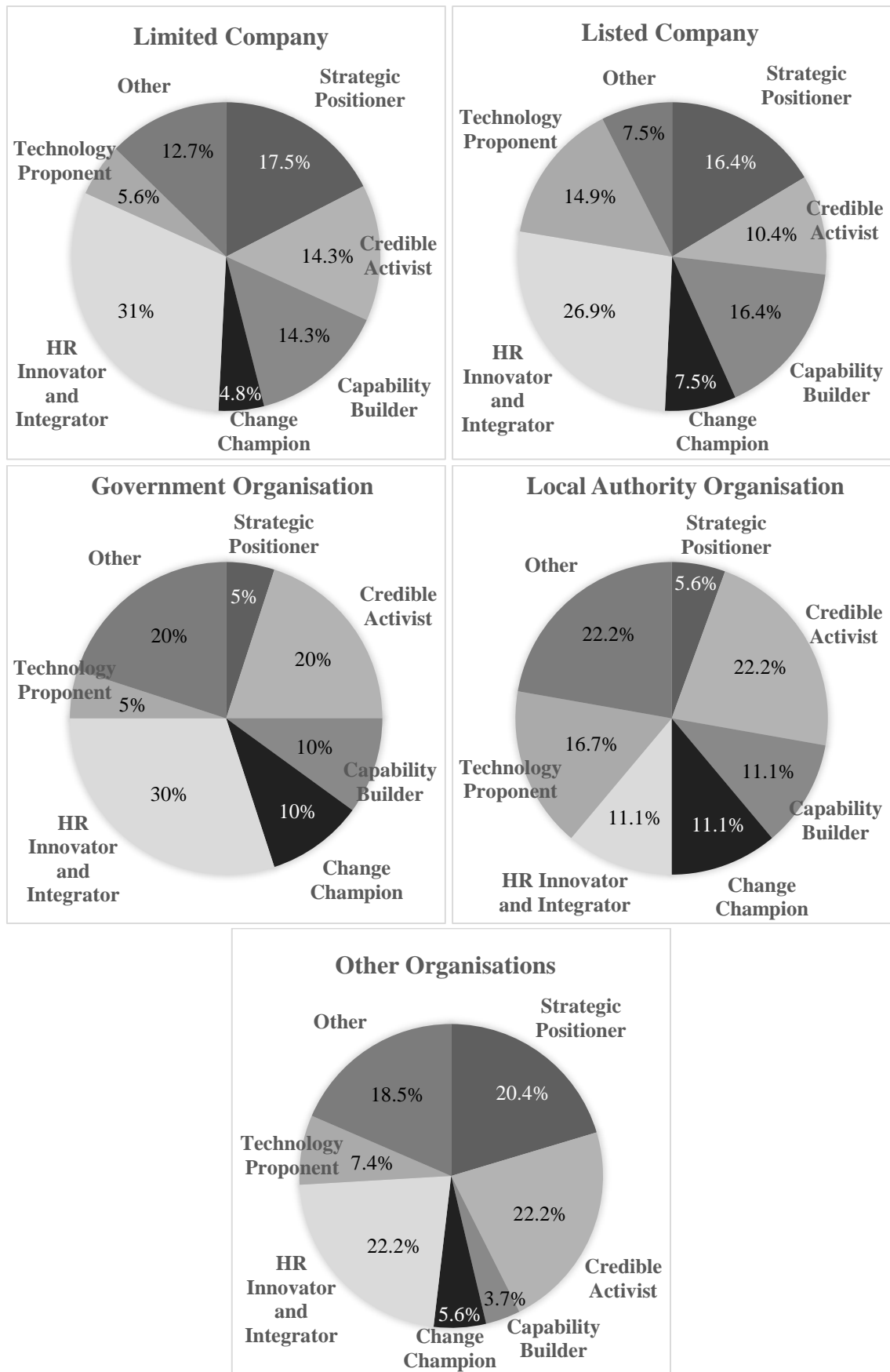
This section will concentrate on the second research objective. Hence, this section aims: *To establish the influence of the different organisational types on the future HR department roles and HR professional competencies.* The results and discussion will flow from the future HR functional roles to the competencies of the HR professionals.

Firstly, the following Figure 12 demonstrates the views of different types of organisations on the future directions of HR department roles. The analysis includes perceptions of limited companies, listed companies, government organisations, local authority organisation and other types of organisations. The discussion will focus on the differences rather than similarities to offer differing perspectives to the topic.

The main noticeable difference is that local authority organisations value the HR innovator and integrator role considerably less than other types of organisations. This could be because of they do not need to consider expanding and therefore standardising and integrating geographically widely spread HR practices.

Another significant difference is in the results of the strategic positioner. The private sector organisations consider strategic positioner as one of the top HR department roles for the future, whereas the public sector organisations rate it as the lowest. This reflects the harder competition and performance pressures of the private sector regarding HRM.





**Figure 12.** HR Department Role Results for Different Organisation Types.

Secondly, the following Table 9 reveals how different organisations perceive the future competencies that HR professionals need to develop. The top competency category for each organisational type is marked in bold in the table below.

**Table 9.** HR Professional Competencies According to Organisation Type.

	<b>1. Limited company</b>	<b>2. Listed company</b>	<b>3. Government organisation</b>	<b>4. Local authority organisation</b>	<b>5. Other organisations</b>	<b>Total</b>
<b>1. Strategic Positioner</b>	-	-	-			-
1.1. Interpreting global business context	<b>11 / 8,7%</b>	5 / 7,5%			4 / 7,4%	20 / 7%
1.2. Decoding customer expectations	3 / 2,4%	2 / 3%	1 / 5%		1 / 1,9%	7 / 2,5%
1.3. Co-crafting a strategic agenda	8 / 6,5%	4 / 6%		1 / 5,6%	<b>6 / 11,1%</b>	19 / 6,7%
Subtotal:	(22)/17,5%	(11)/16,4%	(1) / 5%	(1) / 5,6%	(11)/20,4%	(46)/16,1%
<b>2. Credible Activist</b>	-	-	-			-
2.1. Earning trust through results	5 / 4%			1 / 5,6%	3 / 5,6%	9 / 3,2%
2.2. Influencing and relating to others	3 / 2,4%	4 / 6%	1 / 5%	1 / 5,6%	4 / 7,4%	13 / 4,6%
2.3. Improving through self-awareness	2 / 1,6%	2 / 3%	1 / 5%	1 / 5,6%	2 / 3,7%	8 / 2,8%
2.4. Shaping the HR profession	8 / 6,5%	1 / 1,5%	2 / 10%	1 / 5,6%	3 / 5,6%	15 / 5,3%
Subtotal:	(18) / 14,3%	(7) / 10,4%	(4) / 20%	(4) / 22,2%	(12)/22,2%	(45)/ 15,8%
<b>3. Capability Builder</b>	-	-	-			-
3.1. Capitalising organisational capability	4 / 3,2%	1 / 1,5%	1 / 5%	2 / 11,1%	2 / 3,7%	10 / 3,5
3.2 Aligning strategy, culture, practices, and behaviour	8 / 6,5%	5 / 7,5%	1 / 5%			14 / 4,9%
3.3. Creating a meaningful work environment	6 / 4,8%	5 / 7,5%				11 / 3,9%
Subtotal:	(18) / 14,3%	(11) / 16, 4%	(2) / 10%	(2) / 11,1%	(2) / 3,7%	(35)/ 12,3%
<b>4. Change Champion</b>	1 / 0,8%		1 / 5%			2 / 0,7%
4.1. Initiating change	3 / 2,4%	3 / 4,5%		1 / 5,6%	2 / 3,7%	9 / 3,2%
4.2. Sustaining change	2 / 1,6%	2 / 3%	1 / 5%	1 / 5,6%	1 / 1,9%	7 / 2,5%
Subtotal:	(6) / 4,8%	(5) / 7,5%	(2) / 10%	(2) / 11,1%	(3) / 5,6%	(18) / 6,3%
<b>5. HR Innovator and Integrator</b>	3 / 2,4%				1 / 1,9%	4 / 1,4%
5.1. Optimising human capital through workforce planning and analytics	8 / 6,5%	4 / 6%	3 / 15%		3 / 5,6%	18 / 6,3%

5.2. Developing talent	5 / 4%	2 / 3%	1 / 5%		2 / 3,7%	10 / 3,5%
5.3. Shaping organisation and communication practices	10 / 7,9%	5 / 7,5%				15 / 5,3%
5.4. Driving performance	5 / 4%	2 / 3%		2 / 11,1%	5 / 9,3%	14 / 4,9%
5.5. Building leadership brand	8 / 6,5%	5 / 7,5%	2 / 10%		1 / 1,9%	16 / 5,6%
Subtotal:	(39) / 31%	(18) / 26,9%	(6) / 30%	(2) / 11,1%	(12) / 22,2%	(77) / 27%
<b>6. Technology Proponent</b>	1 / 0,8%				1 / 1,9%	2 / 0,7%
6.1. Improving utility of HR operations	4 / 3,2%	<b>6 / 9%</b>	1 / 5%	<b>3 / 16,7%</b>	3 / 5,6%	17 / 6%
6.2. Connecting people through technology	2 / 1,6%	4 / 6%				6 / 2,1%
6.3. Leveraging social media tools	-	-	-			-
Subtotal:	(7) / 5,6%	(10) / 14,9%	(1) / 5%	(3) / 16,7%	(4) / 7,4%	(25) / 8,8%
<b>7. Other Themes</b>	-	-	-			-
7.1. HR service delivery	5 / 4%	2 / 3%	<b>3 / 15%</b>	1 / 5,6%	1 / 1,9%	12 / 4,2%
7.2. Protecting the long-term view	8 / 6,5%	2 / 3%	1 / 5%		<b>6 / 11,1%</b>	17 / 6%
7.3. Supportive and operational HRM	3 / 2,4%	1 / 1,5%		3 / 16,7%	3 / 5,6%	10 / 3,5%
Subtotal:	(16) / 12,7%	(5) / 7,5%	(4) / 20%	(4) / 22,2%	(10) / 18,5%	(39) / 13,7%
Grand total:	126 / 100%	67 / 100%	20 / 100%	18 / 100%	54 / 100%	285 / 100%
<b>Categories from the total:</b>	<b>126 / 44,2%</b>	<b>67 / 23,5%</b>	<b>20 / 7%</b>	<b>18 / 6,3%</b>	<b>54 / 19%</b>	<b>285 / 100%</b>

The above table shows limited companies emphasising the competencies in interpreting global business context. This reflects their growth and internationalisation aspirations. Limited companies want HR to help them in these endeavours as seen below.

“Strengthening the business knowledge, so that HR can genuinely support the business.”

Listed companies and surprisingly also local authority organisations focus on improving the utility of their HR operations through technology instead (Table 9.). For listed companies this signifies the importance of providing up-to-date information regarding human resources in the future to be able to make more informed decisions as illustrated in the following statement.

“HR systems need to be effective and offer correct and quality information to the HR managers and company top management. With these means we can make better decisions in the future. HR systems need to modernise and not only be payroll systems, but instead real strategic tools for the management.”

In contrast, for local authorities the new HRM technology brings desired cost reductions and helps to automate still manual parts of administrative HR work as seen below.

“...In the local authority sector, there is also a lot of work that is nevertheless conducted manually, in this it depends on utilising the appropriate technology. Technology must not augment the amount of work removing resources from meeting people.”

Government organisations on the other hand promote for example HR service delivery competencies (Table 9.) to stream line their HR department as demonstrated next.

“...Routine task are outsourced more effectively also in governmental management.”

Finally, the remaining other types of organisations want HR to help the organisation to move forward by getting involved in co-creating a strategic agenda as seen below.

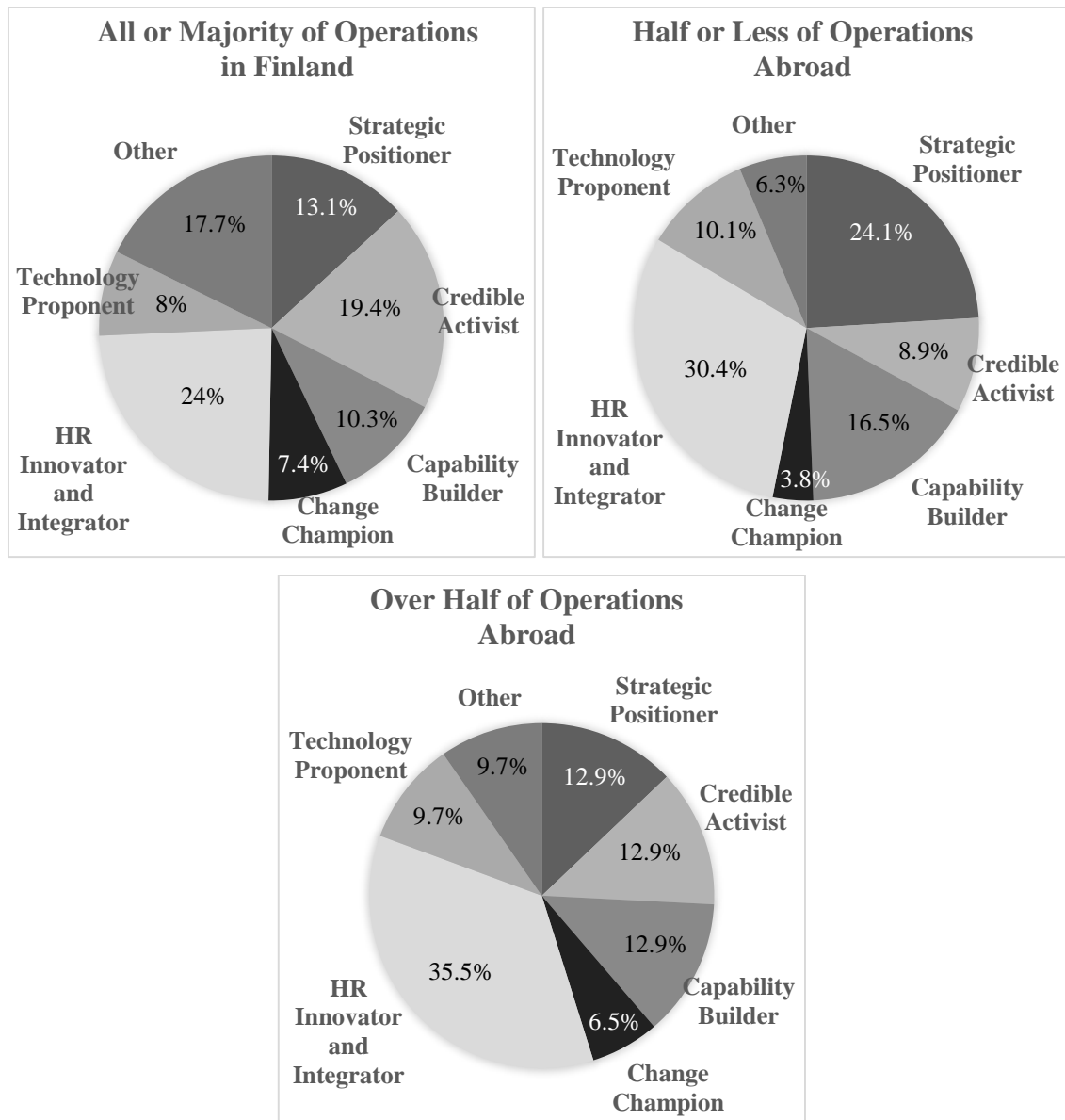
“How can HR support the organisation to achieve their strategic goals?”

The following final section of this results and discussion chapter investigates internationalisation as a contextual level factor regarding HR roles and competencies.

#### 4.4. Impact of Internationalisation on Future HR Roles and Competencies

This section will aim: *To determine the impact of the organisation's level of internationalisation on the future HR department roles and the HR professional competencies*, which is the third and final objective of this study. Accordingly, the future HR roles are evaluated first followed by the results and discussion regarding the HR professional competencies.

Firstly, the following Figure 13 illustrated the impact of the organisation's internationalisation level on the future HR roles. The analysis will concentrate on the differences detected in the below pie charts.



**Figure 13.** HR Department Role Results for Different Internationalisation Levels.

The above figure surprisingly reveals that it is the companies with half or less of their operations abroad that value to the strategic positioner considerably more than the other two categories. It could have been expected that as the organisations become more global, so does also their HR departments. However, this is not the case. Perhaps the

organisations that are in the process of internationalisation recognise the largest need to develop SHRM, whereas domestic companies are not at this stage yet and global companies have already largely done this.

It is also interesting to see in Figure 13 how the balance between the contextual level strategic positioner and the individual level credible activist fluctuates between the different stages of internationalisation. The mostly domestic organisations dominantly favour the credible activist roles, whereas the partly international organisations clearly emphasise the strategic positioner, yet more global companies have equal scores for both roles. This shows that global companies realise the importance of balanced HRM.

Secondly, the following Table 10 shows the differences in the emphasis of future HR competencies according to organisations at different stages of internationalisation. Again the top competency scores for each category are in bold (Table 10.)

The organisations with all or majority of operations in Finland rate protecting the long-term view of the organisation the highest. Especially focussing on the employee well-being is seen as very important competence for HR professionals in the future as illustrated in the following statement.

“Work well-being will be in an important role. If they want to elongate work careers and on the other hand to maintain work fitness of young people, the well-being of the work force needs to be supported in every possible way.”

Contrarily, the organisations with half or less operations abroad are not surprisingly keen on HR professionals to develop competencies in interpreting global business context considering the previously discovered emphasis on the strategic HR department role. However, they equally value building leadership brand, because as the organisations internationalise it is critical to have united leadership as mentioned below.

“...This is also essentially related to the standardisation of the different management styles and cultural management styles, and moving from largely geographical and cultural practices to company practices...”

**Table 10.** HR Professional Competencies According to Internationalisation Level.

	<b>1. All or majority of operations in Finland</b>	<b>2. Half or less of operations abroad</b>	<b>3. Over half of operations abroad</b>	<b>Total</b>
<b>1. Strategic Positioner</b>	-	-	-	-
1.1. Interpreting global business context	9 / 5,1%	<b>9 / 11,4%</b>	2 / 6,45	20 / 7%
1.2. Decoding customer expectations	3 / 1,7%	4 / 5,1%	-	7 / 2,5%
1.3. Co-crafting a strategic agenda	11 / 6,3%	6 / 7,6%	2 / 6,45	19 / 6,7%
Subtotal:	(23) / 13,1%	(19) / 24,1%	(4) / 12,9%	(46)/16,1%
<b>2. Credible Activist</b>	-	-	-	-
2.1. Earning trust through results	7 / 4%	1 / 1,3%	1 / 3,2%	9 / 3,2%
2.2. Influencing and relating to others	9 / 5,1%	2 / 2,6%	2 / 6,45	13 / 4,6%
2.3. Improving through self-awareness	5 / 2,9%	2 / 2,5%	1 / 3,2%	8 / 2,8%
2.4. Shaping the HR profession	13 / 7,4%	2 / 2,5%	-	15 / 5,3%
Subtotal:	(34) / 19,4%	(7) / 8,9%	(4) / 12,9%	(45)/15,8%
<b>3. Capability Builder</b>	-	-	-	-
3.1. Capitalising organisational capability	7 / 4%	2 / 2,5	1 / 3,2%	10 / 3,5
3.2 Aligning strategy, culture, practices, and behaviour	6 / 3,4%	6 / 7,6	2 / 6,45	14 / 4,9%
3.3. Creating a meaningful work environment	5 / 2,9%	5 / 6,3	1 / 3,2%	11 / 3,9%
Subtotal:	(18) / 10,3%	(13) / 16,5	(4) / 12,9%	(35)/12,3%
<b>4. Change Champion</b>	1 / 0,6%	1 / 1,3%	-	2 / 0,7%
4.1. Initiating change	7 / 4%	1 / 1,3%	1 / 3,2%	9 / 3,2%
4.2. Sustaining change	5 / 2,9%	1 / 1,3%	1 / 3,2%	7 / 2,5%
Subtotal:	(13) / 7,4%	(3) / 3,8%	(2) / 6,5%	(18) / 6,3%
<b>5. HR Innovator and Integrator</b>	2 / 1,1%	2 / 2,5%	-	4 / 1,4%
5.1. Optimising human capital through workforce planning and analytics	10 / 5,7%	4 / 5,1%	<b>4 / 12,9%</b>	18 / 6,3%
5.2. Developing talent	8 / 4,6%	2 / 2,5%	-	10 / 3,5%
5.3. Shaping organisation and communication practices	8 / 4,6%	4 / 5,1%	3 / 9,7%	15 / 5,3%
5.4. Driving performance	10 / 5,7%	3 / 3,8%	1 / 3,2%	14 / 4,9%
5.5. Building leadership brand	4 / 2,3%	<b>9 / 11,4%</b>	3 / 9,7%	16 / 5,6%
Subtotal:	(42) / 24%	(24) / 30,4%	(11) / 35,5%	(77)/27,1%
<b>6. Technology Proponent</b>	1 / 0,6%	1 / 1,3%	-	2 / 0,7%
6.1. Improving utility of HR operations	10 / 5,7%	4 / 5,1%	3 / 9,7%	17 / 6%
6.2. Connecting people through technology	3 / 1,7%	3 / 3,8%		6 / 2,1%
6.3. Leveraging social media tools	-	-	-	-
Subtotal:	(14) / 8%	(8) / 10,1%	(3) / 9,7%	(25) / 8,8%
<b>7. Other Themes</b>	-	-	-	-
7.1. HR service delivery	9 / 5,1%	1 / 1,3%	2 / 6,45	12 / 4,2%
7.2. Protecting the long-term view	<b>14 / 8%</b>	2 / 2,5%	1 / 3,2%	17 / 6%
7.3. Supportive and operational HRM	8 / 4,6%	2 / 2,5%	-	10 / 3,5%
Subtotal:	(31) / 17,7%	(5) / 6,3%	(3) / 9,7%	(39)/13,7%
Grand totals:	175 / 100%	79 / 100%	31 / 100%	285/ 100%
<b>Categories from the total:</b>	<b>175 / 61,4%</b>	<b>79 / 27,7%</b>	<b>31 / 10,9%</b>	<b>285/ 100%</b>

Finally, the above table demonstrated that the organisations with over half of their operations abroad highlight the importance of optimising human capital through workforce planning and analytics as the top future competence for HR professionals.

This is because there are real concerns over losing valuable human resources if they are not looked after appropriately as demonstrated by the following comment.

“People management is in a dismal state. Management at the top level is political, who preserves their position and who does not [depends on the organisational politics, not merit]. This congests the regeneration of the company, there is a lack of vision, good people are lost and their potential is not given an opportunity. HR is a side-line of the company, it does not have a real influence on the human resources.”

Overall, the investigation into different individual, organisational and contextual level factors influencing the future HR roles and competencies has revealed that the same HR roles and competencies apply to different situations. However, their importance can vary significantly depending on the circumstances. Therefore, attention needs to be directed at considering the prevailing factors in each individual organisation in order to be able to build the most suitable HR organisation for the challenges of the future.



## 5. CONCLUSION

This chapter will provide the final conclusions regarding this study into HR roles and competencies in Finland. Firstly, the key areas of this study will be summarised and concluded in this chapter. This will be followed by sections on the theoretical and practical implications of the findings. Finally, also the limitations of this study and the future areas of research will be identified.

First of all, this study aimed to investigate the key stakeholder perception on the future HR roles and competencies. This was done as a response to the increasingly competitive and volatile business environment (Briscoe et al. 2012: 412) and the shift to the knowledge economy (Swart & Kinnie 2003: 60), which have caused the HR functional roles and related HR professional competencies to change. These HR roles and competencies require clarification, which was provided by investigating this topic in the Finnish context. Also the effects of different individual, organisational and contextual factors on the future HR roles and competencies were examined to provide a more pluralistic approach to the topic.

The research was conducted through a survey strategy with qualitative as well as quantitative elements. The material for the study was provided by the nationwide HR Barometer (HENRY 2013). Consequently, an appropriate sample relating to the topic was chosen including 92 respondents and 285 pieces of text. The material was analysed through a context analysis method by utilising an already existing HR role and competency model by Ulrich et al. (2013: 467) as well as current HRM trends in the process.

The literature review included a discussion of previous, current and future themes in HRM. Some of the key areas of this discussion included SHRM, human capital, HRM performance, HR service delivery, duality of HRM, generalist v specialist HR and so on. Critical views on some of the current HRM were also discussed. For example, some authors are concerned over the SHRM dominance diminishing other perspectives

(Paauwe 2007: 87). Moreover, the development of HR roles and competencies and related typologies were also investigated including Legge (1978), Tyson and Fell (1986), Storey (1992), Ulrich (1997) and Soderquist et al. (2010). It was discovered that HR role typologies are becoming more strategic, and HR competency models are trying to shift HRM from a task-centred logic to competency-centred logic. This was followed by the evaluation of the chosen model by Ulrich et al. (2013: 467), which includes six HR department roles and twenty related competencies for HR professionals to develop. The literature section was concluded by creating a heuristic framework based on the chosen typology, key HRM trends and the research question and objectives.

The key points of the results and discussion chapter are covered in the following two sections from a theoretical and practical perspective.

### 5.1. Theoretical Contributions

The theoretical contribution of this study centres on the modified HR role and competency typology (Table 7.) based on the survey results from a Finnish context. The new model saw three of the existing HR department roles, from the typology by Ulrich et al. (2013: 464), expanded by one additional competency each. Credible activist needs to now also protect the long-term perspective, HR innovator and integrator provides smooth HR service delivery, and capability builder focuses on more traditional competencies in supportive and operational HRM.

Moreover, this study contributes towards the pluralistic view of the future HR department roles and the competencies of HR professionals. Accordingly, the impact of individual, organisational and contextual level factors on the HR roles and competencies were investigated in this project. More specifically, comparisons were made between three different respondent groups including top and general managers, HR professionals and employee representatives. In addition, the perceptions of different types of organisations were compared to each other. These included limited companies, listed companies, government organisations, local authority organisations and other organisations. Finally, also organisations from varying levels of internationalisations

were scrutinised regarding their views on the future HR roles and competencies. This examination included organisations with all or majority of operations in Finland, half or less of operations abroad and over half of operations abroad.

Overall, the investigation into different individual, organisational and contextual level factors influencing the future HR roles and competencies revealed that the same HR roles and competencies apply to different situations. However, their importance and the reason behind them can vary significantly depending on the circumstances. Thus, attention needs to be directed at considering the fundamental factors in each individual organisation to be able to develop the most fitting HR organisation for the challenges of the future. More detailed practical implications are provided in the following section.

## 5.2. Practical Implications

The findings of this study has also clear practical implications for HR managers to consider when designing their HR organisations. These practical implications relate especially to which HR department roles to develop in order to be able to effectively respond to the future challenges facing HRM. In addition, this research guides HR professionals into acquiring the correct competencies to match HR roles.

Firstly, the HR innovator and integrator is the most critical HR functional role to be developed in order to ensure the organisations success in the future. HR innovator has also a large impact on business performance (Ulrich et al. 2013: 466). The strategic positioner and credible are close second and third HR department role to be developed. Their closeness in results also shows managers how important it is to provide a balanced HR agenda (Hailey et al. 2005: 49) in response to the dualities of HRM. Capability builder received a rather mediocre score, but its high impact on business performance makes it a worthy investment. The two lowest scores belong to the technology proponent and change champion, but the technical area is seen as an unexploited opportunity and change management is still important in the increasingly turbulent business environment (Long & Ismail 2012: 24). Hence, they should not be forgotten either.

Secondly, the top five competencies for HR professionals to focus on include interpreting global business context, co-crafting a strategic agenda, optimising human capital through workforce planning and analytics, improving utility of HR operations and protecting the long-term view of the organisation. These results can be utilised as a top priority list for developing HR competencies, even though a closer examination of the competency results reveal also many other important HR competencies.

Thirdly, the different respondent group perspectives can help HR managers to understand different prevailing perspectives in their organisation and have more constructive discussions and decision making with the aid of this knowledge. For example, it is useful to know that HR professionals find the strategic positioner role a lot more important for the future than the top and general managers. Moreover, employee representatives value the most HR competencies in influencing and relating to others, whereas top and general managers believe that it would be better to focus on building a leadership brand for the organisation.

Fourthly, the managers can identify their own organisational type from the comparison regarding the second research objective and make adjustments according to the findings. For instance, there is a clear divide between the private and public sector regarding the importance of the strategic positioner role. In the private sector the strategic positioner has a key role in the future success of the organisation, whereas the public sector organisations rate it as the least important role for them. Furthermore, for example both listed companies and local authority organisations both believe that the utility of the HR operations need to be improved through technology, but for different reasons. Listed companies want information systems to produce up-to-date information for accurate decision making, whereas local authorities thrive to cut costs and automate still largely manual practices. Knowing these very different motivations helps HR managers in their approach to developing these competencies.

Fifthly, HR managers can also use the findings from the contextual level comparison of organisations at different stages of internationalisation to guide them through the

internationalisation process of their own organisations. For example, the results revealed interestingly that mainly domestic organisations dominantly favour the credible activist role, whereas the partly international organisations emphasise the strategic positioner a lot more, yet global companies have found a balance between these two functional HR roles. Additionally, the global companies highlight the importance of optimising human capital through workforce planning and analytics the most out of the future competencies for HR professionals.

The overall message for managers is to embrace rather than fight the contradictions and dualities of HRM, because they provide valuable insight that other functions do not have (Paauwe 2007: 89). The limitations of this research project are identified next.

### 5.3. Limitations of the Study

Despite taking all available measures to ensure the ethicality, reliability and validity of this research as previously discussed, has this study still limitations. For instance, this study relies on perceived future HRM roles and competencies. Contrarily, Alvesson and Kärreman (2007: 721) highlight the usefulness of studying actual HRM practices. This is because they found in their empirical research that “the actual practices of HRM can easily fall behind and contradict ambitious HRM objectives, ideologies, systems, and procedures” (Alvesson & Kärreman (2007: 721). This jeopardises the usefulness and truthfulness of this study, which is based on perceived, not actual HRM roles and competencies. In addition, studying the future aspect is simultaneously a benefit and a limitation of this study, because it is important to plan for the future. However, these are always only predictions and perceptions not facts. Therefore, the future aspect of this study is a limitation. Moreover, even though the initial sample for the study is rather large, when comparisons were made between different aspects, were some categories rather small. This damages the generalisability of the findings. Finally, the context for this study was Finland, a small open economy, which means that the results are not suitable for very different contexts. The following section discusses the areas of future study instead.

#### 5.4. Areas for Further Research

The limitations from the previous section offer many opportunities for future study. For example, studying actual not perceived HRM roles and competencies as mentioned in the limitations section above is needed to take the field forward. Some of the findings need to be also further tested in bigger samples and in different context to provide further generalisability. Indeed, further research into HR roles and competencies in different contexts is also needed. The research objectives in this study provided some inclination into different perspectives, however studying contextual factors in more detail is required. This is an important area to investigate, because HR role enactment is context-specific (Welch and Welch 2012: 597).

Now that the future HR competencies are identified, the natural subsequent area of research is the development of these HR competencies. This was identified as an area of future HR research also by Roehling et al. (2005: 213).

Another area of further study is to follow how these findings change over time in form of a longitudinal study, which is enabled through the repetitive, once every three years, nature of the HR barometer survey (HENRY 2013) utilised in this project. In addition, these findings can be tested in 2018, whether they have indeed become reality or has HRM changed in some other unexpected ways, which were not detected in this study.

Truss and Gill (2009) instead highlight in their research findings that attention should be also be paid to structural and relationship aspects of HR, not just on the roles and competencies investigated here.

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## **APPENDICES**

### Appendix 1. Online Questionnaire Questions

What kind of developmental challenges are in HRM until 2018?

What is the most remarkable challenge?

What are most important dimensions in sustainable HRM?

What kind of sustainable HRM practices are used in your organisation?